



JULY 2020

China's Influence in Japan

Everywhere Yet Nowhere in Particular

AUTHOR
Devin Stewart

A Report of the
CSIS SOUTHEAST ASIA PROGRAM

CSIS | CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

JULY 2020

China's Influence in Japan

Everywhere Yet Nowhere in Particular

AUTHOR

Devin Stewart

A Report of the CSIS Southeast Asia Program

CSIS | CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

About CSIS

The Center for Strategic and International Studies (CSIS) is a bipartisan, nonprofit policy research organization dedicated to advancing practical ideas to address the world's greatest challenges.

Thomas J. Pritzker was named chairman of the CSIS Board of Trustees in 2015, succeeding former U.S. senator Sam Nunn (D-GA). Founded in 1962, CSIS is led by John J. Hamre, who has served as president and chief executive officer since 2000.

CSIS's purpose is to define the future of national security. We are guided by a distinct set of values—nonpartisanship, independent thought, innovative thinking, cross-disciplinary scholarship, integrity and professionalism, and talent development. CSIS's values work in concert toward the goal of making real-world impact.

CSIS scholars bring their policy expertise, judgment, and robust networks to their research, analysis, and recommendations. We organize conferences, publish, lecture, and make media appearances that aim to increase the knowledge, awareness, and salience of policy issues with relevant stakeholders and the interested public.

CSIS has impact when our research helps to inform the decisionmaking of key policymakers and the thinking of key influencers. We work toward a vision of a safer and more prosperous world.

CSIS is ranked the number one think tank in the United States as well as the defense and national security center of excellence for 2016-2018 by the University of Pennsylvania's "Global Go To Think Tank Index."

CSIS does not take specific policy positions; accordingly, all views expressed herein should be understood to be solely those of the author(s).

© 2020 by the Center for Strategic and International Studies. All rights reserved.

Center for Strategic & International Studies
1616 Rhode Island Avenue, NW
Washington, D.C. 20036
202-887-0200 | www.csis.org

Acknowledgments

The author would like to thank Ayano Tsunoda, Erika Bulach, Gray Gaertner, Ken Silverman, and Perry Landesberg for their research assistance on this report.

This publication was made possible by the Global Engagement Center at the U.S. Department of State, through the Information Access Fund (IAF) administered by the DTI Institute. The opinions, conclusions, or recommendations contained herein are those of the authors and do not necessarily represent the view of the U.S. government or the IAF.

Contents

Introduction	1
1 China's Tactics to Influence Japan	3
2 Resilience and Vulnerabilities: Traits Unique to Japan	19
3 Responses: Lessons from Japan's Experience	33
4 Conclusions: Japan as a Negative Case of CCP Influence	45
About the Author	47

Introduction

Starting in 2018, the uncertainty generated from the U.S.-China trade war had compelled two longtime rivals and the world's second and third largest economies, China and Japan, to temporarily put aside their differences. To that end, they pursued a pragmatic “tactical détente” or “new start” in the relationship, emphasizing shared interests in trade, tourism, and diplomacy. Tokyo's business-friendly associations and officials also pushed in this direction domestically. The result has been a nuanced hedging strategy toward Beijing that aims to derive economic benefit from the Chinese economy while protecting the nation from malign influence. Chinese leader Xi Jinping's scheduled spring 2020 state visit to Japan (later postponed due to Covid-19) was a potential litmus test for producing a “fifth political document” defining the improving relationship. In line with China's global propaganda aims, Beijing had aimed to use that document to further legitimize its global leadership and ambitious economic projects.¹ Under Xi, the Chinese Communist Party (CCP) has embarked on a global influence campaign, including the ambitious Belt and Road Initiative (BRI), which seeks to fortify the CCP's image more than disrupt global politics and place China among the world's “great powers.” What can we make of China's influence activities in Japan, a historic geopolitical rival?

This inductive project sought to understand how different democracies handled foreign influence activities. It does so by looking at the “demand” side or consumption of foreign influence rather than the “supply” side or production of foreign influence (as many other studies do). Additionally, a distinction should be made between the CCP, China as a country, and the Chinese nation. While the CCP claims to represent the Chinese people, the two entities should not be conflated. In this study, however, in order to examine the “demand” side of influence, the three terms are less sharply distinct, reflecting attitudes in Japan toward China in general. Japan's resilience toward the CCP's influence is wrapped in its comprehensive relationship with China.

The consensus of about 40 experts interviewed over a two-year period (2018-2019) for this project stated confidently—and even pridefully—that China's influence in Japan remains limited compared with other democracies. “Influence,” as understood by experts in Japan, constitutes efforts by the Chinese government or government affiliated entities

1. Nagai Oki, “Beijing readies new political document for China-Japan ties,” *Nikkei Asian Review*, August 12, 2018, <https://asia.nikkei.com/Politics/International-relations/Beijing-readies-new-political-document-for-China-Japan-ties>.

to shape Japanese views and actions in the CCP's favor.² This finding is consistent with recent reports by the Hoover Institution, Hudson Institute, Jamestown Foundation, and others.³ But this paper does something different. It attempts to answer why CCP influence is limited in Japan. This report will explore underlying factors, Japanese responses, and possible lessons for other countries wrestling with similar issues.

Unlike other wealthy democracies, Japan has generally resisted influence activities from China, its massive neighbor, due to liberal democratic virtues as well as deficits. They include strict campaign finance rules, regulations favoring domestic industry at the expense of foreigners, a homogenous population, a politically apathetic public, political stability, relative historic isolation from foreign influence, an "oligopolistic" media landscape, and popular suspicion toward China.

Anyone who travels to Japan knows that Chinese political influence in Japan is like air: it is everywhere yet nowhere in particular.⁴ As Koichi Nakano of Sophia University told us, "This is a hard topic because China's influence is more subtle here compared to other places. China's influence has been in Japan forever, so it's not visible or not new. It's not in your face . . . maybe it's because China saw Japan as a steppingstone for development and now no longer needs it." Chinese cultural influence in Japan is ubiquitous; it pervades the language, art, cuisine, literature, architecture, music, law, and philosophy.

After two millennia of intense China-Japan relations (documentation of the bilateral relationship dates back to the year 57AD), including wars, invasions, and rivalries, Japanese society is accustomed to living side-by-side with China yet not necessarily together, and the country has proved to be relatively impenetrable to Chinese political warfare.⁵ Moreover, China risks pushback from the Japanese public over its influence activities. The global reaction to China's role in the Covid-19 crisis, attempted cover-up, and propaganda campaign to take credit and avoid blame suggests that such a backlash may increasingly become a global norm as global awareness of CCP meddling increases.

2. A close concept is "political warfare," which American diplomat George Kennan defined in 1948 as "the employment of all the means at a nation's command, short of war, to achieve its national objectives. Such operations are both overt and covert. They range from such overt actions as political alliances, economic measures, and 'white' propaganda to such covert operations as clandestine support of 'friendly' foreign elements, 'black' psychological warfare and even encouragement of underground resistance in hostile states." From "269. Policy Planning Staff Memorandum," U.S. State Department's Office of the Historian, May 4, 1948, <https://history.state.gov/historicaldocuments/frus1945-50Intel/d269>.

3. Larry Diamond and Orville Schell, eds., *China's Influence & American Interests: Promoting Constructive Vigilance* (Washington, DC: Hoover Institution, November 29, 2018), <https://www.hoover.org/research/chinas-influence-american-interests-promoting-constructive-vigilance>; Eric Ressler, "Information Warfare: the Communist Party of China's Influence Operations in the United States and Japan," Hudson Institute, August 29, 2018, https://www.carnegie-council.org/publications/articles_papers_reports/information-warfare-communist-party-of-china-influence-operations-in-us-and-japan; and Russell Hsiao, "A Preliminary Survey of CCP Influence Operations in Japan Publication: China Brief," Jamestown Foundation, *China Brief* 19, no. 12, June 26, 2019, <https://jamestown.org/program/a-preliminary-survey-of-ccp-influence-operations-in-japan/>.

4. The author suggested this expression and found that interviewees in Japan agreed it was accurate.

5. The author learned about this expression on a 2014 research trip with Michael Ignatieff to Bosnia where the various ethnicities of the country used it to describe their fragile relationships. See Ignatieff's book on the project, *The Ordinary Virtues: Moral Order in a Divided World* (Cambridge, MA: Harvard University Press, 2017), 111.

1 | China's Tactics to Influence Japan

Around the world, Chinese influence campaigns have sought to portray China as a legitimate global leader among the world's great powers. When it comes to influencing Japan, China has aimed to foster a positive image in Japanese society, cultivate allies among the elite, and carve out access to Japanese business opportunities and investments (alongside access to technological know-how).

According to a recent German Marshall Fund report, tactics China routinely uses around the world include: weaponizing the Chinese economy (economic coercion), asserting narrative dominance (propaganda and disinformation), relying on elite intermediaries, instrumentalizing the Chinese diaspora, and embedding authoritarian control.⁶ Many of these tactics appear in its interactions with Japan. This paper explores both benign influence (public diplomacy) and malign influence (i.e., activities that fall under the “three Cs”: covert, coercive, and corrupt).⁷

As for its goals, China would like recruit Japan to join Chinese global initiatives such as the BRI and Asian Infrastructure Investment Bank (AIIB), thereby adding to China's legitimacy in the world. According to several experts, Japan's main security concern is the possibility of Okinawa declaring independence, in part due to its grievances against Tokyo and Washington. China encourages this objective through diplomacy, disinformation, and investments in the northern part of the island near the U.S. bases. The two countries are among each other's top trading partners, creating a codependent relationship, although both countries are less trade dependent (trade as a percentage of GDP) than the world average.⁸ Japan represents China's third largest export market, and China is Japan's largest export market, according to 2018 UNCTAD data.⁹ Hardline CCP officials have also

6. Matt Schrader, “Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries,” German Marshall Fund of the United States, April 22, 2020, <https://securingdemocracy.gmfus.org/friends-and-enemies-a-framework-for-understanding-chinese-political-interference-in-democratic-countries/>.

7. The “three Cs” are derived from a speech given by Australian prime minister Malcom Turnbull in 2017. Malcom Turnbull, “Speech introducing the National Security Legislation Amendment (Espionage and Foreign Influence) Bill 2017,” (speech, December 7, 2017), <https://www.malcolmturnbull.com.au/media/speech-introducing-the-national-security-legislation-amendment-espionage-an>.

8. “Trade (% of GDP),” World Bank, https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?most_recent_value_desc=false.

9. “General Profile: China,” United Nations Conference on Trade and Development (UNCTAD) STAT, 2018, <http://unctadstat.unctad.org/countryprofile/generalprofile/en-gb/156/index.html>; and “General Profile: Japan,” UNCTADSTAT, 2018, <http://unctadstat.unctad.org/countryprofile/generalprofile/en-gb/392/index.html>.

used anti-Japan sentiment to discredit reformist movements and maintain power inside China, as such reformers often receive training in Japan. On a geopolitical level, some Chinese officials envision a Japan that distances itself from its alliance with the United States and may even support a permanent seat for Japan on the UN Security Council.¹⁰ China's influence goals are not always malign but rather seek to promote Chinese national interest—sometimes at the expense of Japan, sometimes not.

China's Attempt to Leverage the Covid-19 Crisis

As the two countries that were hit hardest and earliest in the Covid-19 pandemic, China and Japan represent an interesting case study of propaganda (biased or misleading information to promote a political cause), messaging, and political influence. The virus outbreak presents a condensed version of the overall picture in the China-Japan relationship over the past few years. That is, the reaction and messaging on China-Japan relations from the crisis were mostly positive from Chinese officials, state media, and the public, while the reactions were mostly positive from Japanese officials but mixed from Japan's media and public. This pattern has reoccurred in the bilateral relationship since 2018.

On December 31, 2019, the World Health Organization (WHO) was informed of pneumonia cases of unknown origin in Wuhan, China's seventh-largest city. Amid the ensuing global panic and considerations about Xi Jinping's (now postponed) state visit to Japan, Chinese officials, state media, and social media delivered positive messages about Japan and China's leadership in fighting the pandemic. The Hamilton 2.0 dashboard tool tracking Chinese (and Russian) state media and social media accounts supported this interpretation; it showed very limited online activity in Japanese or English about Japan, and when it did it was either benign or positive.¹¹ Flattering messages about China-Japan ties dominated Chinese social media, reflecting positive Chinese media reports about Japan's assistance to China.¹² China's Director of the Foreign Ministry's Information Department Hua Chunying tweeted in February, "As neighbors across a narrow sea, let's help each other in times of need," through her brand-new Twitter account.¹³

Deploying information for its public diplomacy efforts, China's state-run Xinhua News Agency showed appreciation of the Japanese government's immediate response to the Covid-19 outbreak, particularly the sending of masks, goggles, and gowns in boxes that

10. Alfred Chan, "A Young Turk in China's Establishment: The Military Writings of Liu Yazhou Publication," Jamestown Foundation, *China Brief* 5, no. 19, September 13, 2005, <http://jamestown.org/program/a-young-turk-in-chinas-establishment-the-military-writings-of-liu-yazhou/>.

11. "Hamilton 2.0 Dashboard," German Marshall Fund Hamilton, accessed May and June 2020, <https://securingdemocracy.gmfus.org/hamilton-dashboard/>

12. For the purpose of this research project, a study was undertaken from January to September 2019 to track the tone of Chinese state media in the Japanese language, which ostensibly aims to influence Japanese citizens. About a dozen Japanese-language articles from the *People's Daily* and a dozen from Xinhua were analyzed. Some of the articles were only a few sentences—more akin to a long headline. Other articles reported on events that had a greater relevance for the bilateral relationship, such as one about the Chinese Embassy in Japan's celebratory event for the 70th anniversary of the founding of Communist China, which was longer than many other articles. Most articles about Japan or the Japan-China relationship were either neutral or positive (and even hopeful) in tone, in line with China's goal of a tactical détente and notably distinct from anti-Japan propaganda of years past. During the 2020 coronavirus outbreak, Chinese media portrayals of Japan have been outright positive.

13. Tsukasa Hadano, "In search of a friend, China dials up pro-Japan rhetoric," *Nikkei Asian Review*, February 21, 2020, <https://asia.nikkei.com/Spotlight/Coronavirus/In-search-of-a-friend-China-dials-up-pro-Japan-rhetoric>.

displayed a Chinese-language verse, “Although we are in different places, we are under the same sky.” This response went viral, so to speak, and received more than 170 million views on China’s Weibo social network and was met with gratitude on the Japanese embassy’s Weibo account.¹⁴ When a Japanese official who had looked after Japanese citizens evacuated from Wuhan was suspected of taking his own life, Chinese internet users mourned the loss.¹⁵ Interestingly, the Japanese-language version of *People’s Daily online*, China’s state media, praised former Japanese prime minister Yukio Hatoyama, known for his China-friendly views, for sending masks to the Memorial Hall of the Victims of Nanjing Massacre by Japanese Invaders.¹⁶

Meanwhile, the Japanese government’s early response to the virus was mild, partly out of a reciprocal respect toward China. It took until February 1, 2020, a day after the United States stopped all foreign travelers from China, for Japan to begin denying entry to people from China’s Hubei province. Many direct flights from other parts of China remained in place. Prime Minister Shinzo Abe stayed under the radar early in the crisis by deferring leadership to his health minister. Critics argued Abe hoped to avoid offending China ahead of the planned state visit by Xi Jinping scheduled for April.¹⁷ If this interpretation is correct, this episode may represent one of the CCP’s most effective influence activities toward Japan in recent years.

Japan’s Jiji Press reported that the Chinese government asked Japan “not to make a big deal [out of Covid-19],” which resulted in Japan’s slow response.¹⁸ As cases of infection rose, critics worldwide questioned Japan’s capability to host the upcoming Olympics in July. Political pressure and the logistical risks pushed the authorities to postpone the games until July 2021.¹⁹ By May, Japan and China were coordinating with each other on a partial lifting of the travel ban on businesspeople who tested negative for the virus, and maritime incidents in the East China Sea near the disputed Senkaku Islands were relatively tame. After Abe hosted a press conference on February 29 and announced the closure of all schools in the country, “#AbeYamero” (Abe, quit) was trending on Japanese Twitter.²⁰

14. AFP, “Coronavirus brings rivals Japan and China together,” *Straits Times*, February 20, 2020, <https://www.straits-times.com/asia/east-asia/coronavirus-brings-two-foes-together-japan-and-china>.

15. Isabella Steger and Jane Li, “‘Lands apart, shared sky’: Japan’s response to the coronavirus is winning unusual praise in China,” *Quartz*, February 4, 2020, <https://qz.com/1796494/china-internet-users-praise-japan-for-coronavirus-response/>.

16. “Nihon no Hatoyama Moto Shusho ga Nanjing Daigyakusatsu Guunan Douhou Kinenkan ni Masuku wo Kifu. [Japan’s former prime minister Hatoyama donated masks to Nanjing Massacre Museum],” *J.people.com*, February 18, 2020, <http://j.people.com.cn/n3/2020/0218/c94638-9659166.html>.

17. Simon Denyer, “Japan’s coronavirus response on cruise ship ‘completely inadequate,’ says health expert,” *Washington Post*, February 19, 2020, https://www.washingtonpost.com/world/asia_pacific/japans-coronavirus-response-on-cruise-ship-completely-inadequate-says-health-expert/2020/02/19/881e7218-5150-11ea-80ce-37a8d4266c09_story.html; and Linda Sieg, “‘Where’s Abe?’ critics ask, as coronavirus spreads in Japan,” February 25, 2020, <https://www.reuters.com/article/us-china-health-japan-abe/wheres-abe-critics-ask-as-coronavirus-spreads-in-japan-idUSKCN20J16F>.

18. “Seifu, Hirogaru Hihan ni Aseri ‘Mizugiwa de Shippai’, Shijiritu ni Kage – Shingata Haien [Government impatience with growing criticism, ‘Failure at boarder measures’, Impacting approval rate – Coronavirus],” *Jiji Press*, February 19, 2020, <https://www.jiji.com/jc/article?k=2020021800962&g=pol>.

19. Kyoichi Nakano, “Japan Can’t Handle the Coronavirus. Can It Host the Olympics?,” *New York Times*, March 6, 2020, <https://www.nytimes.com/2020/02/26/opinion/coronavirus-japan-abe.html>.

20. J-Cast News, “‘#Abe Yamero’ ‘#Abe Yameruna’, Abe Shusho no Kaiken ni taishi, Ichiya aketemo giron funshutsu tsuzoku [‘#Abe, quit’ ‘#Abe, don’t quit’ Debates continue overnight in response to Abe’s press conference],” *Yahoo! Japan*, March 1, 2020, <https://headlines.yahoo.co.jp/hl?a=20200301-00000004-jct-soci&p=1>.

Similarly, there was anti-Chinese sentiment and anxiety about the impact of the virus on the Tokyo Olympics on Japanese Twitter, with the hashtag #ChinesedontcometoJapan trending.²¹ This backlash against China's reputation would later on go global amid the crisis, mirroring backlash after the 1989 Tiananmen crackdown.²² But when Alibaba founder Jack Ma sent 1 million masks to pro-China Secretary General Toshihiro Nikai of Japan's Liberal Democratic Party (LDP) on March 2, Japanese Justice Minister Masako Mori tweeted, "Thank you, Jack," calling him a "friend" with whom she had a "deep conversation in December." This praise was met with criticism by Japan's right-wing novelist Naoki Hyakuta.²³ The Japanese government finally announced the suspension of travel visas for travelers from China on March 5, the same day the Japanese government officially announced Xi Jinping's state visit was postponed due to Covid-19.²⁴ At the end of May 2020, Abe's own party issued a resolution to Chief Cabinet Secretary Suga condemning China's plans for a national security law restricting political freedoms in Hong Kong and encouraging a reconsideration of the state visit invitation altogether.²⁵ Those steps foreshadow a darker turn in the bilateral relationship.

China's Confucius Institutes in Japan

Confucius Institutes (CIs) represent the most well-known overseas overt outreach program under the network of divisions that implement influence activities that includes the United Front Work Department. The UFWD is a division of the CCP that aims to influence people outside of the party or outside the country, including elites. While CIs are officially tasked with promoting friendship (with the CCP), according to critics and several interviewees, CIs can spread CCP propaganda, stifle liberal speech, and be used for intelligence gathering, making the program potentially both benign and malign. Since the first CI opened in 2004 in South Korea, 548 locations have been established globally as of 2018, with the aim of 1,000 CIs by 2020.²⁶ As of June 2020, however, the Hanban website listed only 541 institutes worldwide as they have faced increased scrutiny and closures. CIs provide Chinese-language classes with the help of the Office of Chinese Language Council International (known as "Hanban"), an affiliate of the Chinese Ministry of

21. Thisanka Siripala, "Could Japan Call off the Tokyo Olympics Following the Coronavirus Outbreak?," *Diplomat*, February 1, 2020, <https://thediplomat.com/2020/02/could-japan-call-off-the-tokyo-olympics-following-the-coronavirus-outbreak/>.

22. "Internal Chinese report warns Beijing faces Tiananmen-like global backlash over virus," Reuters, May 4, 2020, <https://www.reuters.com/article/us-health-coronavirus-china-sentiment-ex-idUSKBN22G19C>.

23. "Alibaba Sougyousha ga Masuku Teikyou 100 Man Mai, Jimin Tsuuji – Shingata Haien [Founder of Alibaba provided 1 million masks via Liberal Democratic Party – Coronavirus]," *Jiji Press*, March 2, 2020, <https://www.jiji.com/jc/article?k=2020030201195&g=pol>; and Daily Sports, "Hyakuta Naoki-Shi. Nihon ni Masuku Okuru Ba Un-Shi Ni Kansha Tweet no Mori Housou wo Ikkatsu 'Nasakenaide' [Mr. Naoki Hyakuta. Scolding at Justice Minister Mori for Tweeting gratitude to Jack Ma who sent masks to Japan]," Yahoo! Japan, March 3, 2020, <https://headlines.yahoo.co.jp/hl?a=20200303-00000096-dal-ent>.

24. Kyodo News, "China's Xi Jinping postpones state visit to Japan due to coronavirus," *Japan Times*, March 5, 2020, <https://www.japantimes.co.jp/news/2020/03/05/national/chinas-xi-jinping-postpones-japan-visit-covid-19/#.XmPOd-C2ZPMI>; and "Japan to restrict travel to and from China, S. Korea over virus," Kyodo News, March 6, 2020, <https://english.kyodonews.net/news/2020/03/9a7d275e6a90-japans-coronavirus-bill-likely-to-clear-lower-house-on-march-12.html>.

25. "Japan should reconsider state visit by China's Xi: LDP lawmakers," Kyodo News, May 29, 2020, <https://www.japantimes.co.jp/news/2020/05/30/national/politics-diplomacy/japan-reconsider-state-visit-china-xi-jinping-ldp/#.XtU6LJbQjfy>.

26. Pratik Jakhar, "Confucius Institutes: The growth of China's controversial cultural branch," BBC, September 7, 2019, <https://www.bbc.com/news/world-asia-china-49511231>.

Education.²⁷ Hanban's financial support includes textbooks, teachers, and scholarships for foreigners to study Chinese language and culture at Chinese universities.²⁸ Approximately 50,000 students from 166 countries have received scholarships since the scholarship system was established in 2009.²⁹ CIs also provide cultural classes, including cooking, Tai Chi, acupuncture, and calligraphy.³⁰

In Japan, the latest CI opened at Yamanashi Gakuin University in Kofu, Yamanashi, in May 2019, making it the fifteenth location in Japan, with the first opened at the prestigious Ritsumeikan University in Kyoto in October 2005 under a partnership with Peking University.³¹ Opening a CI in Japan requires an agreement to be signed between the university and Hanban. It does not require approval from the Japanese Ministry of Education (MOE), which has taken a nonchalant attitude toward CIs. When LDP parliamentarian Mio Sugita inquired about CIs during a Diet session in February 2019, MOE Advanced Education Division Chief Hiroshi Yoshimoto simply recited statistics from a website.³² CIs attract Japanese universities with increased funding and student enrollment from Chinese partner universities, a highly desirable offer given Japan's falling youth population.³³

Outside of Japan, growing political concerns about espionage and an overreliance on Chinese funding has caused a series of CI closures. In the United States, the leading market for CIs, at least 15 locations have closed since 2018.³⁴ In February 2018, FBI Director Christopher Wray said at a Senate hearing that the agency was investigating CIs.³⁵ The Australian state of New South Wales announced in August 2019 that it would close all 13 of its CIs over fears of Chinese malign influence.³⁶ A CI in Belgium closed when

27. "Ritsumeikan to Koshi Gakuin [Ritsumeikan and Confucius Institute]," Ritsumeikan Confucius Institute, accessed January 9, 2020, <http://www.ritsumei.ac.jp/confucius/about/background/>.

28. "Choki Ryugaku [Long-term overseas studies]," Ritsumeikan Confucius Institute, accessed January 9, 2020, <http://www.ritsumei.ac.jp/confucius/studyabroad/>.

29. AFPBB News, "Koshi Gakuin Shogakukin wo Uketotta Ryugakusei ga 5 man nin ni. Chugoku heno Rikai ni Koken [More than 50,000 students have received scholarship from Confucius Institutes, Contributing to understanding of China]," AFP, November 16, 2019, <https://www.afpbb.com/articles/-/3254376>.

30. "Rekishishi-Sen Dai 20 Bu Koshi Gakuin (1) 'Bunka Supai Kikan' Hatsugen de Kainin 'Chugoku' wo Hasshin. Nihon niha 14 Shidai. Kankatsu Aimai. 'Amari ni Muboubi' [History War Chapter 20 Confucius Institute (1) Dismissal over 'Cultural spy institute' comment, Promoting 'China,' 14 Private Universities in Japan, Unclear Jurisdiction, 'Very Defenseless']," *Sankei Shimbun*, April 11, 2018, <https://www.sankei.com/politics/news/180411/plt1804110003-n1.html>.

31. "Yamanashi Gakuin Daigaku ni Koshi Gakuin ga Kaisetsu Nihon de 15 banme [Confucius Institute opened at Yamanashi Gakuin University, 15th in Japan]," *j.people.com.cn*, May 14, 2019, <http://j.people.com.cn/n3/2019/0514/c206603-9577781.html>.

32. "Dai 196 Kai Kokkai Yosan linkai Dai 4 Bunka Kai Dai 2 Gou (Heisei 30 Nen 2 Gatsu 26 Nichi) [196th Ordinary Diet Session. Budget Committee 4th Sub Committee No. 2 (February 26, 2018)]." House of Representatives of Japan, accessed January 9, 2020, http://www.shugiin.go.jp/Internet/itdb_kaigiroku.nsf/html/kaigiroku%20/003419620180226002.htm.

33. "Koutou Kyouiku no Shourai Kouzou ni Kansuru Sankou Shiryou [Reference materials related to future vision for advanced education]," Japan's Ministry of Education, Culture, Sports, Science and Technology, February 21, 2018, https://www.mext.go.jp/b_menu/shingi/chukyo/chukyo4/042/siryo/__icsFiles/fieldfile/2018/02/23/1401754_07.pdf

34. "Chinese students: The new red scare on American campuses," *Economist*, January 2, 2020, <https://www.economist.com/briefing/2020/01/02/the-new-red-scare-on-american-campuses>.

35. Bill Gertz, "FBI investigating Confucius Institutes," *Washington Times*, February 14, 2018, <https://www.washington-times.com/news/2018/feb/14/inside-the-ring-fbi-investigating-confucius-instit/>.

36. "Australian state ends Chinese education program over foreign interference fears," Reuters, August 22, 2019, <https://www.reuters.com/article/us-australia-china-education/australian-state-ends-chinese-education-program-over-foreign-interference-fears-idUSKCN1VD009>.

its director was accused of espionage and barred from entering the European Union for eight years.³⁷ In Japan, however, not a single CI has been closed.³⁸ In 2014, a Confucius Classroom (CIs primary and secondary school equivalent) was closed in Hiroshima, but this closure was due to lack of demand rather than political concerns. While the press has not reported on any CI closures in Japan, experts speculate that some may eventually close due to political pressure.

According to Tomohide Murai of Tokyo International University Foundation, Japanese public and media scrutiny of CIs is increasing. Experts including Murai told us that the public is growing suspicious of CIs' intentions, and many assume they are engaged in Chinese propaganda and intelligence gathering. Murai noted that cash-strapped Japanese universities are often compelled to welcome CIs on financial grounds. However, both conservative media, such as *Sankei Shimbun*, and alumni associations are critical of CIs and pressure universities to close them. Murai also believes that Japanese universities have grown politically out of sync with the general public: universities are still dominated by left-wing, Marxist thought, while the public is more right-wing and nationalistic. Universities may find themselves at an impasse if they continue to receive support from both the CCP and Japanese taxpayers.³⁹

All 15 CIs in Japan are located in private universities; therefore, none are affiliated with public universities, including Japan's top university, the University of Tokyo. Some experts suggest public universities do not want to accept CIs on principle. In April 2007, Waseda University, one of Japan's most prestigious private universities, partnered with Peking University to establish the world's first research-oriented CI to foster young researchers, promote joint research, and publish research papers.⁴⁰ Waseda currently hosts 2,775 Chinese students (more than half of its foreign students), while more than 10,000 Japanese students at Waseda take Chinese classes, partly through the CI.⁴¹

International campaigns against the CIs have made headway in Japan as well. For example, a Canadian documentary about CIs, "In the Name of Confucius," was released in Japan in November 2017 at the Interethnic/Interfaith Leadership Conference held in Tokyo by the Washington, D.C.-based Citizen Power Initiatives for China.⁴² The conference hosted approximately 60 international human rights activists and held lectures by several public policy officials, including former Trump chief strategist Steve Bannon.⁴³ According

37. Stuart Lau, "Belgian university closes its Chinese state-funded Confucius Institute after spying claims," *South China Morning Post*, December 11, 2019, <https://www.scmp.com/news/china/diplomacy/article/3041617/belgian-university-closes-its-chinese-state-funded-confucius>.

38. "Closures of CI," In The Name Of Confucius, accessed January 9, 2020, <https://inthenameofconfuciusmovie.com/cutting-ties-with-confucius-institutes/>.

39. According to an OECD 2009 estimate, Japanese government support of national universities account for 55.4 percent of total university revenue and 10.7 percent of private university revenue. See Howard Newby et al., *OECD Reviews of Tertiary Education: Japan* (Paris: OECD, 2009), <https://www.oecd.org/japan/42280329.pdf>.

40. "International Joint Programs," Waseda University, accessed January 9, 2020, <https://www.waseda.jp/top/en/about/work/organizations/international-affairs-division/international-joint-programs>.

41. "Goaisatsu [Greetings]," Waseda University Confucius Institute, accessed January 9, 2020, <https://waseda-wci.jp/aboutus/introduce/>.

42. "In the Name of Confucius Plays in Tokyo, Japan – 11/15/2017," In The Name of Confucius, November 7, 2017, <https://inthenameofconfuciusmovie.com/in-the-name-of-confucius-plays-in-tokyo-japan-11152017/>.

43. "Twelfth annual InterEthnic/InterFaith Leadership Conference to be held in Tokyo, Japan, 14-17 November," Initia-

to the film's website, there has only been one public controversy about CIs in Japan.⁴⁴ In 2010, a director at the Osaka Industrial University apologized and resigned from the university after calling the Hanban a spy agency and receiving pushback from Chinese students on the campus; the story appeared in the *People's Daily*, perhaps as a deterrent against future criticism.⁴⁵

Chinese Information Activities Targeting Japan

Foreigners comprise just 2 percent of Japan's 127 million-strong population, but this figure is expected to rise, depending on how travel bans related to Covid-19 develop in coming years due to labor shortages and relaxed visas for blue-collar workers. Japan's foreign-born population is much smaller than that of other rich countries such as Italy (8 percent), Germany (15 percent), or the United Kingdom (13 percent). That is one of several reasons why foreign influence is limited in Japan. At nearly 800,000 or nearly one-third of all foreigners, Chinese represent the largest group of foreigners in Japan.⁴⁶ The Chinese population in Japan is therefore a prime target for Chinese media influence.

Chinese-language media outlets are among the many methods used by the CCP to influence overseas Chinese communities. In some cases, Chinese-language media outlets in Australia and New Zealand have been effectively monopolized by the CCP.⁴⁷ However, "in Japan, one of the sources of resilience against Chinese United Front activities and attempts to seek covert influence is simply the nature of democratic politics, public opinion and the salience of historical issues. In Japan and in China there is a reciprocal sense of bad faith toward one another," according to congressional testimony by Asia specialist Ankit Panda.⁴⁸ Nevertheless, there are several Chinese-language media outlets targeting Chinese residents in Japan, including the *Japan Overseas Chinese News*, *Live Japan*, *Xiaochun*, *Modern China*, *Japan Overseas Chinese Daily News (Duan News)*, and *Chubun News*.⁴⁹ While many of these media outlets are headquartered in Tokyo and Osaka, their content features articles from mainland Chinese sources, such as Xinhua or the *People's Daily*.

Chubun News (Chinese Review Weekly) is the most circulated Chinese-language newspaper targeting Chinese residents in Japan.⁵⁰ *Chubun News*, run by Chubun Sangyo in Tokyo, was

tives for Citizen Power for China, accessed January 9, 2020, <http://www.initiativesforchina.org/?p=2774>.

44. "'Confucius Institute' from China, Concerns are spreading in the West—World Times (Japan) by Toshiyuki Hayakawa," In the Name of Confucius, February 8, 2018, <https://inthenameofconfuciusmovie.com/confucius-institute-from-china-concerns-are-spreading-in-the-west-world-times-japan-by-toshiyuki-hayakawa/>.

45. "Japanese university apologizes for calling Confucius Institute spy agency," *People's Daily*, June 12, 2010, <http://en.people.cn/90001/90782/7023278.html>.

46. Kyodo News, "Foreign population in Japan breaks record with 2.82 million," *Japan Times*, October 27, 2019, <https://www.japantimes.co.jp/news/2019/10/26/national/foreign-population-japan-breaks-record-2-82-million/#.XkVW-xNKjMI>.

47. Peter Mattis, "Hearing on China's Relations with U.S. Allies and Partners in Europe and the Asia Pacific," Hearing before the U.S.-China Economic and Security Review Commission, April 5, 2018, <https://www.uscc.gov/sites/default/files/transcripts/Hearing%20Transcript%20-%20April%205%2C%202018%20%282%29.pdf>.

48. Ibid.

49. Japan's New Overseas Chinese Newspaper, <http://www.jnocnews.jp/#02>; Live Japan, <http://www.livejapan.cn/>; XiaoChun, <http://www.incnjp.com/>; Modern China, <http://www.xiandaichina.com.cn/>; Japan Overseas – Duan, <http://duan.jp/news/>; and Chubun, <http://www.chubun.com/>.

50. Chubun Sangyo Co, "Sougou Chugokugo Shimbun 'Chubun' [Comprehensive Chinese Language Newspaper 'Chubun']," Chubun, accessed February 7, 2020, http://www.chubun.jp/chubun_com.php.

founded by Yiwen Luo in 1992.⁵¹ Luo is president of Laox, Japan's biggest duty-free store operator, which counts 75 percent of their revenue from Chinese tourists visiting Japan.⁵² *Chubun's* news articles mostly report about Japan-China relations and Chinese society from the perspective of Chinese living in Japan and toe the CCP line.⁵³ For example, a popular article in February 2020 was titled, "Waseda University Chinese Alumni Taking Action to Support Wuhan."⁵⁴ Occasionally, the outlets run geopolitically-themed articles, with one asking, "Will Japan finally abandon the United States to join the AIIB?" The article, published in April 2015 after Japan missed the deadline set by China to join AIIB as a founding member, sought to encourage Japan's admission.⁵⁵ Japan has yet to join the AIIB as of spring 2020.

Moving to the malign influence spectrum, perhaps the most important target of Chinese influence through the news media is Okinawa. In both its 2015 and 2017 annual reports, Japan's Public Security Intelligence Agency raised the issue of potential Chinese influence to divide public opinion in Okinawa. In particular, the 2017 report cited a CCP-affiliated *Global Times* opinion piece encouraging China to call Okinawa by its former name, "Ryukyu" (as Okinawa was historically an independent kingdom known as the Ryukyu Kingdom), given that "Okinawa" alludes to a tacit acceptance of Japanese sovereignty.⁵⁶ Similarly, the agency's 2015 report noted that the CCP-affiliated *People's Daily* published several papers questioning Japan's sovereignty over Okinawa, including in its international version, concluding that such Chinese actions concerning Okinawa require attention. "China is using indirect methods to influence Japan. There's a covert route like influencing Okinawa movements through influencing Okinawan public opinion to push for Okinawan independence and remove U.S. forces there," Yuichi Hosoya of Keio told us. "That's indirect strategy. It's sharp power. We also can see sharp power in Japan such as cyberattacks."

One case involving Chinese disinformation arose in several of our conversations in Tokyo but received limited reporting. In September 2018, Taiwan's diplomatic representative in Osaka, Su Chii-chen, committed suicide after reportedly receiving online criticism for his handling of Taiwanese nationals stranded at a flooded Kansai International Airport in Osaka during the deadly typhoon Jebi on September 4, 2018.⁵⁷ He was previously Taiwan's

51. Ryouhei Nagumo, "<Key Person> Laox no La Ibun Shachou 'Menzei Ten Dake Ni Tayoranai' [<Key Person> Laox CEO Yiwen Luo 'Not relying on duty free stores']," BCN Retail, March 6, 2018, https://www.bcnretail.com/market/detail/20180306_53857.html.

52. "Suning's Tax-free Subsidiary Laox Completed a Fundraising of 8.434 Billion Japanese Yen to Expand China Business and Global E-commerce," Business Insider, December 5, 2019, <https://www.prnewswire.com/news-releases/sunings-tax-free-subsidiary-laox-completed-a-fundraising-of-8-434-billion-japanese-yen-to-expand-china-business-and-global-e-commerce-300970020.html>.

53. Chubun Sangyo Co, "Shachou Aisatsu [Greetings from President]," Chubun, <http://www.chubun.jp/about-chairman.php>.

54. "Zaodaotian Daxue Zhongguoren Zai Xingdong! Zhong Zhi Cheng Cheng Zhiyuan Wuhan [Waseda University Chinese Alumni Taking Actions to Support Wuhan]," *Chubun*, February 3, 2020, <http://www.rbzwd.com/lxs/2020/02-03/14295.shtml>.

55. "Ribei Zhongjiang Paoqi Meiguo Jiaru Ya Touxing? [Will Japan eventually abandon the United States to join the Asian Investment Bank?]," *Chubun*, April 10, 2015, <http://www.rbzwd.com/rbxw/2015/04-10/8055.shtml>.

56. Japan's Public Security Intelligence Agency, *Naigai Jousei no Kaiko to Tenbou Heisei 29 Nen 1 Gatsu [Annual Report 2016 Review and Prospects of Internal and External Situations]* (Tokyo: Ministry of Justice, 2017), <http://www.moj.go.jp/content/001221029.pdf>.

57. Mari Saito and Yimou Lee, "Taiwan representative in Japan's Osaka commits suicide," Reuters, September 15,

representative in Naha, Okinawa. Based on interviews and other media reports, Su was the victim of a Chinese government disinformation campaign in which the Chinese embassy in Tokyo fabricated a story that it had dispatched buses to save stranded passengers at the Osaka airport, sparking online criticism that Taiwanese officials had not reciprocated the rescue effort.⁵⁸

It was also widely reported that China's efforts to meddle in Taiwan's 2020 elections through the dissemination of false rumors mostly backfired and unintentionally helped the incumbent.⁵⁹ One prominent fake news story stated that Japan was planning to buy Taiwan from President Tsai and her Democratic Progressive Party.⁶⁰ According to experts Jean-Baptiste Vilmer and Paul Charon in *War on the Rocks*, while China has often been "clumsy" with its information campaigns over the years, it is increasingly comfortable on Western social media platforms and spreads information through its state media in several foreign languages while utilizing hundreds of thousands of trolls (a so-called "50-cent army").

Overall, the influence of Chinese media in Japan is negligible, however, as *Asahi Shimbun* journalist Kenji Minemura, who closely follows Chinese influence, told us in an interview in Tokyo: "As for China's media presence in Japan, there is not much influence. Japanese media has the influence in Japan. It's difficult for foreign media to penetrate Japan except maybe the *Wall Street Journal* (in Japanese). We trust U.S. media, while nobody trusts Chinese media," Minemura said. "Since in Japan, TV and newspapers are pretty objective, Japanese people tend to trust the information, but that makes Japan vulnerable because media literacy education is underdeveloped in Japan. They are too trusting. But they don't trust Chinese propaganda." While Japan's *Nikkei* notably acquired the *Financial Times* from Britain's Pearson in 2015, there have been no Chinese acquisitions of the major Japanese dailies.

Minemura continued:

Our newspaper subscriptions are declining in Japan, and Chinese are now starting to support weaker papers [financially] like *Mainichi Shimbun* (look at the China Watch insert in the *Washington Post* from *China Daily* as a model). *Mainichi* also runs a China Watch but it's not popular because people see it as advertisement. I asked *Mainichi* about it; they said *Mainichi* only accepts China Watch news on cultural and travel issues but no political or economic issues. But that's the UFWD strategy; it's step by step. That's the gray zone strategy from UFWD.

Mainichi with its Chinese insert reaches 6.6 million Japanese readers.⁶¹

2018, <https://www.reuters.com/article/us-japan-taiwan/taiwan-representative-in-japans-osaka-commits-suicide-idUSKCN1LV067>.

58. "EDITORIAL: Politicians sink to a new low," *Taipei Times*, December 5, 2019, <http://www.taipeitimes.com/News/editorials/archives/2019/12/05/2003726979>.

59. Anders Rasmussen, "At the Taiwan Election, China Has Entered the Global Meddling Game," *Newsweek*, January 14, 2020, <https://www.newsweek.com/taiwan-election-china-has-entered-global-meddling-game-opinion-1482162>.

60. Jean-Baptiste Vilmer and Paul Charon, "Russia as a Hurricane, China as Climate Change: Different Ways of Information Warfare," *War on the Rocks*, January 21, 2020, <https://warontherocks.com/2020/01/russia-as-a-hurricane-china-as-climate-change-different-ways-of-information-warfare/>.

61. Lim Louisa and Julia Bergin, "Inside China's audacious global propaganda campaign," *Guardian*, December 7, 2018, <https://www.theguardian.com/news/2018/dec/07/china-plan-for-global-media-dominance-propaganda-xi-jinping>.

Forums to Promote Japan-China Ties

Several interviewees for this project mentioned China's use of international forums and symposiums with retired officers as an instrument to cultivate relationships. A relatively effective and benign influence tool to promote bilateral ties and dialogue has been the Beijing-Tokyo Forum. Founded in 2005, this forum is sponsored by Japan's non-profit Genron NPO as well as China's CCP-owned China International Publishing Group. The forum alternates between Tokyo and Beijing and hosts hundreds of influential participants from business, political, academic, and media circles. A recent forum, labeled the "highest public diplomatic communication platform between China and Japan," was held in Beijing in October 2019 and focused on the theme of a "new era, new hope: responsibilities China and Japan shoulder to maintain the peace and development of Asia and the world."⁶²

Japanese retired vice admiral Yoji Koda attended that event and told us in an interview that the forum is an effective public diplomacy effort. However, at that particular event, he flipped the message on China, stating, "If Japan is trapped by China's charm offensive without reforming itself, China will be a cornered rat," referring to China's global isolation in technology, diplomacy, and business. Indeed, during the early 2020 Covid-19 outbreak, a *Nikkei* headline asserted that China was looking for "a friend."⁶³ The article noted that both Chinese officials and state media praised Japan's assistance to China during the outbreak in "glowing terms."

The amount of influence China can wield in these forums is very limited, however, according to Masayuki Masuda of Japan's National Institute for Defense Studies in an interview with us in Tokyo. Given the end of Japan's foreign assistance to China, the low favorability of China in Japanese society, the shrinking power of the foreign ministry, and rising power of the prime minister's office, China has sought alternatives to influence Tokyo. But strong regulations on foreign contact, especially with officials from Russia and China, largely prevent that from happening. Officers and officials must get permission to have meetings with foreign officials, and they must be accompanied by colleagues, Masuda said. China has attempted to cultivate ties via symposium invitations, sponsored by China's People's Liberation Army (PLA), with retired Japanese officers because retired generals in China are influential; but this is not the case in Japan, as civilians have most of the power over policy. "It is difficult for China to do a successful influence operation in Japan," he concluded.

Russell Hsiao, in his 2019 paper "A Preliminary Survey of CCP Influence Operations in Japan," points to several UFWD instruments that China uses to wage influence operations in Japan with varying degrees of effectiveness. Hsiao's paper catalogues a variety of United Front institutions to influence Japan toward achieving CCP goals, including CIs, friendship associations, trade associations, and cultural exchanges in Japan. These instruments include the presence of at least seven Sino-Japan friendship associations, including the Japan China Friendship Center, which houses a dormitory, hotel, and language school. That center, located in the Bunkyo ward of Tokyo, was originally set up in 1953 as the Zen

62. "15th Beijing-Tokyo Forum opens," China.org.cn, http://www.china.org.cn/world/2019-10/26/content_75342767.htm.

63. Tsukasa Hadano, "In search of a friend, China dials up pro-Japan rhetoric," *Nikkei Asian Review*, February 21, 2020, <https://asia.nikkei.com/Spotlight/Coronavirus/In-search-of-a-friend-China-dials-up-pro-Japan-rhetoric>.

Neighborhood Student Center. According to our interviews, these friendship associations (many of which pre-date diplomatic normalization) have been useful in maintaining a back-channel dialogue during periods of official bilateral tension, such as the 2010-2012 conflict over the Senkaku Islands. Nevertheless, UFWD organizations have very limited impact given the suspicion among most Japanese toward Chinese influence.



Sign in English and Japanese in Tokyo to the Japan-China Friendship Center.

Credit: Devin Stewart.



Signs in Chinese welcoming visitors to the Japan-China Friendship Center.

Credit: Devin Stewart

Since 2005, the CCP's United Front also has attempted to use historical grievances against Japan as part of its effort to re-assimilate Taiwan's Nationalist Party into "its political narrative," according to Hsiao, who works for the Global Taiwan Institute.⁶⁴ Hsiao points to several Chinese organizations that hold academic conferences celebrating China's anti-Japan war history, including "the Academy of History of Chinese Resistance Against Japanese Aggression, Guangxi Academy of Social Sciences, Ke Yi Publishing House, Nanjing University, and Nanjing Zhongtang Keji."

Madoka Fukuda of Hosei University told us in an interview:

During times of turmoil between Japan and China, these friendship associations try to promote cultural exchange. But in Japan, their activities are not very successful. The associations want Japanese affinity for Chinese culture but Japanese people don't have interest in it. In the first place, Japanese don't like China so they don't want to join their association activities. Also, the way they produce these association activities does not fit Japanese culture; in part, Chinese culture is part of a problem. I have been interested in these activities, such as cooking and calligraphy, but I see little Chinese soft power. It is much different from Japan-Taiwan exchanges; there is a Taiwan center in Toranomon (a business district in Tokyo) that has really interesting events such as movies and books, and it's popular. But the Chinese centers are less attractive to Japanese, especially young people.

Several other Japanese scholars agreed with that assessment, with one telling us on background that the friendship associations were "useless" because China's political warfare suffers from an "unsophisticated middle kingdom mentality" and another saying the associations were dated, uninfluential, old-fashioned, and ineffective since Japanese do not want to be "suckers" to Chinese influence activities.

China's Sharp Power in Japan: Corruption

Political scandals involving China are rare in Japan. Such occurrences are so unusual that a well-regarded 2018 book on the history of Japanese political scandals only mentions "China" twice, and the country's name does not even appear in the index (Russia is also not mentioned).⁶⁵ The author of that book, Matthew Carlson, told us, "The illegal side of China's influence is hard to spot in Japan," and corruption in Japan in general has decreased significantly since the 1980s and 1990s due to public scrutiny and the capacity of the government to hide scandals.

One such scandal did occur in 2012 when Justice Minister Keishuu Tanaka resigned from the Noda administration after it was revealed Tanaka had political ties to the Yakuza and had accepted funds from a Chinese national. However, Tanaka and his staff were likely unaware of the Chinese ties because it was not an issue of concern until he became justice minister, and the LDP used the scandal against the opposition Democratic Party of Japan (DPJ).

64. Russell Hsiao, "In A Bid to Co-opt Taiwan, China Wages History War Against Japan," Japan Forward, December 12, 2019, <https://japan-forward.com/in-a-bid-to-co-opt-taiwan-china-wages-history-war-against-japan/>.

65. Matthew Carlson and Steven Reed, *Political Corruption and Scandals in Japan* (Ithaca: Cornell University Press, 2018).

Yet, the Chinese government's connection to a recent bribery scandal involving LDP politician Tsukasa Akimoto, who was a key official in crafting Japan's new integrated resorts development strategy, threatened to harm the Japan-China relationship. It also taints the image of an already-controversial Japanese economic growth strategy: the promotion of casino properties, or so-called "integrated resorts." Notably, the Japanese public has been as wary of the growth of a domestic gaming industry as it has of a rising China.

The legalization of enhanced casinos ("integrated resorts") has been a key part of the "Abenomics" economic policy of Prime Minister Abe, who assumed office in December 2012 and has since become the longest-serving prime minister in Japan's post-WWII history. Abe initially proposed legalizing casinos under his "Third Arrow" growth strategy, which was approved by the cabinet in June 2014. Abe sought to legalize casinos during a special 2014 Diet session in order to boost tourism before the 2020 Tokyo Olympics,⁶⁶ and three cities were selected for casino openings by 2020.⁶⁷ The legislation kept getting postponed, however, in part due to a snap election in November 2014, and in 2015 the Diet remained focused on passing legislation to allow Japan to exercise collective self-defense.⁶⁸ The LDP's coalition ally, the Buddhism-influenced Komeito Party, had been strongly opposed to casino gambling on moral grounds, although Komeito is also friendly to China due to its pacifist ideology.⁶⁹

Public opinion has been divided on the issue of casinos, with an October 2019 survey by Jiji showing 60 percent in opposition.⁷⁰ Meanwhile, legislation to lift the ban on casinos was not passed until December 2016, when Akimoto was chairing the Diet's Lower House Cabinet Committee.⁷¹ Another snap election in September 2017 delayed the Diet's passage of the integrated resorts implementation bill until July 2018.⁷² Komeito then changed

66. "'Nihon Saikou Senryaku' Kaitei 2014 – Mirai he no Chousen [‘Japan Revitalization Strategy’ Revised 2014 – Challenge for the Future],” Prime Minister of Japan and His Cabinet, Kantei.go.jp, June 24, 2014, <https://www.kantei.go.jp/jp/singi/keizaisaisei/pdf/honbun2JP.pdf>; and Brian Fowler and Isabel Reynolds, "Casino legislation? Abe says you bet," *Japan Times*, June 25, 2014, <https://www.japantimes.co.jp/news/2014/06/25/business/abe-aims-to-pass-casino-legislation-this-year/#.XgprjC2ZPMJ>.

67. Nihon Keizai Shimbun, "Casino, 20 nen made ni 3 kasho Osaka Okinawa nado Kouho [Casino 3 locations by 2020 Candidates include Osaka and Okinawa]," *Nikkei Asian Review*, July 26, 2014, https://www.nikkei.com/article/DGXNASDF25005_V20C14A7MM8000/.

68. Nihon Keizai Shimbun, "Casino Josei Katsuyaku Haken-Hou Kaisei... Kaisan de Hakushi Houan Dokohe [Casino, Promoting women, Revising Worker Dispatch Act... Parliament dissolved and back to square one. Where do legislations go?]," *Nikkei Asian Review*, November 30, 2014, <https://www.nikkei.com/article/DGKZKO80313190Q4A131C1NN9000/>; and Linda Sieg, "Japan enacts bills easing pacifist constitution's limits on military," Reuters, November 17, 2015, <https://www.reuters.com/article/us-japan-security/japan-enacts-bills-easing-pacifist-constitutions-limits-on-military-idUSKCNOR103120150918>.

69. Nihon Keizai Shimbun, "Datsu Jikankyuu Houan wo Dannen Seifu Yotou Minpou Kaisei Casino mo [Government and ruling party giving up on white collar exemption legislation, as well as casino]," *Nikkei Asian Review*, September 2, 2015, https://www.nikkei.com/article/DGXLASFS01H5V_R00C15A9MM8000/.

70. Jiji Press, "60% of Japanese public against building nation's first casino resorts: survey," *Japan Times*, October 18, 2019, <https://www.japantimes.co.jp/news/2019/10/18/national/60-japanese-public-building-nations-first-casino-resorts-survey/>.

71. "Bribery scandal widens; parties pursue Abe's responsibility," *Asahi Shimbun*, December 26, 2019, <http://www.asahi.com/ajw/articles/AJ201912260031.html>.

72. Nihon Keizai Shimbun, "Shuuin Kaisan Juuyou Houan Nokinami Sakiokuri Hataraki-Kata ya IR Shikou ni Okure mo [Parliament dissolved, Postponing series of important legislations, Delaying implementation of Work Style Reform an Casino]," *Nikkei Asian Review*, September 27, 2017, https://www.nikkei.com/article/DGXLASFS27H4U_X20C17A9PP8000/.

its position in support of the bill, explaining that they had an obligation to implement legislation that had been passed democratically (at the time, Komeito member Keiichi Ishii was the minister of land, which is the principle regulator for integrated resorts).⁷³

Akimoto belongs to the LDP's powerful Nikai faction (named for LDP Secretary-General Toshihiro Nikai of Wakayama Prefecture), which is the LDP's pro-China group.^{74,75} This group is also referred to as the "Nikai-Imai faction." Takaya Imai, a senior adviser to Abe and former METI bureaucrat, has persuaded the prime minister to take a softer approach toward China and its infrastructure projects on business grounds.⁷⁶ Nikai, who has brought five pandas from China to a zoo in his hometown Wakayama, served as the prime minister's special envoy to China to meet Xi Jinping in April 2019 and advocated for Japan's cooperation on the BRI, regardless of the United States' opinion.⁷⁷ He has also advocated for Xi's state visit to Japan.⁷⁸

In December 2019, Akimoto was arrested for allegedly receiving a total of 3.7 million yen (\$33,000) in bribes from China's leading online sports gambling service provider, 500.com.⁷⁹ The site has a Chinese government-backed chipmaker, Tsinghua Unigroup, as its major shareholder.⁸⁰ Tsinghua Holdings owns a 51 percent stake in Tsinghua Unigroup and is a wholly owned subsidiary of the public Tsinghua University, which educated Xi Jinping and Hu Jintao. Hu's son Hu Haifeng was party secretary of the group. Tsinghua Unigroup has steadily increased its stake after 500.com reported its first quarterly loss in November 2013. As the company's losses continued, 500.com has tried to find alternative revenue sources outside of China, including in Japan. A month after 500.com established its Japanese subsidiary in July 2017, 500.com hosted a symposium in Okinawa to discuss casino business opportunities.⁸¹ Akimoto also was invited as a keynote speaker

73. Shimbun Akahata, "Casino Houan Kyoukou no Koumei Hihan Shuchu Benmei ni Owareru [Komei Party justifying its action to forcefully pass Casino Legislation as criticism rises]," Japanese Communist Party, June 25, 2018, https://www.jcp.or.jp/akahata/aik18/2018-06-25/2018062502_02_1.html.

74. "Bribery scandal widens; parties pursue Abe's responsibility," *Asahi Shimbun*, December 26, 2019, <http://www.asahi.com/ajw/articles/AJ201912260031.html>; and Wikipedia. 2019. "Toshihiro Nikai." Last modified November 19, 2019.

75. Axel Berkofsky, Christopher Hughes, and Paul Midford, Marie Söderberg, *The EU–Japan Partnership in the Shadow of China The Crisis of Liberalism (Abingdon/New York: Routledge, 2019)*, <https://www.routledge.com/The-EU-Japan-Partnership-in-the-Shadow-of-China-The-Crisis-of-Liberalism/Berkofsky-Hughes-Midford-Soderberg/p/book/9780367895013>.

76. Terada Takashi, "Trump's Trade War and the Thawing of China-Japan Relations," *USJI Voice*, August 1, 2018, <http://www.us-jpri.org/en/voice/usji-voice-vol-38>.

77. Komori, Yoshihisa. "Which Country's Interests Does Nikai's Pro-China Diplomacy Serve?" January 31, 2018. *Japan-forward.com*. <https://japan-forward.com/which-countrys-interests-does-nikais-pro-china-diplomacy-serve/>

78. "Nikai-Shi 'Kokuhin Taiguu ha Atarimae' Chugoku Kokka Shuseki Rainichi [Mr. Nikai 'State Visit is Obvious' Chinese President's Visit to Japan]," *Sankei Shimbun*, November 26, 2019, <https://www.sankei.com/politics/news/191126/pl1911260016-n1.html>.

79. Kyodo News, "LDP lawmaker Tsukasa Akimoto arrested for alleged receipt of bribe from Chinese gambling firm," *Japan Times*, December 25, 2019, <https://www.japantimes.co.jp/news/2019/12/25/national/crime-legal/ldp-tsukasa-akimoto-bribe-taking/#.XiZXES3MzMJ>.

80. "Factbox: Tsinghua-backed 500.com identified by media as involved in Japan casino bribery case," Reuters, December 26, 2019, <https://www.reuters.com/article/us-japan-casino-500-com-factbox/factbox-tsinghua-backed-500-com-identified-by-media-as-involved-in-japan-casino-bribery-case-idUSKBN1YU0C0>.

81. Nihon Keizai Shimbun, "Akimoto Giin tonon Paipu Kyouchou Chugoku Kigyoo Gawa Gyousya ya Jichitai ni [Chinese Company Emphasizing its relationship with Politician Akimoto to business partners and local government]," *Nikkei Asian Review*, December 28, 2019, <https://www.nikkei.com/article/DGXMZO53980320Y9A221C1CZ8000/>; and Casino IR Japan, "IR Kigyoo Doukou: 500.com Shinpojium @ Okinawa 'Okinawa IR no Potensyaru Dai Tairyoo no Chuugokujin wo Shuukyaku Ka [IR Company Trend: 500.com Symposium @ Okinawa 'IR potential is big in Okinawa as it can invite many

and received an enhanced speaker's fee of 2 million yen, thanks to his government appointment.⁸² Such China-linked bribery scandals are rarely reported in Japan, but if the two countries continue to grow increasingly interconnected, the chances for a repeat of another corruption case could rise.

China's "Hostage Diplomacy"

In addition to corruption, another example of malign Chinese influence in Japan involves coercion. In September 2019, Nobu Iwatani, a respected China scholar and professor at Hokkaido University, which is one of Japan's top national schools, was detained under the 2014 anti-espionage law while attending a conference in Beijing. Iwatani was released in November 2019 after reportedly confessing to collecting a large amount of "classified information," but his arrest had already damaged the China-Japan relationship.⁸³ A group of 130 Japanese academics who specialize in China signed an open letter drafted by the normally-sympathetic Japanese Association of Scholars Advocating Renewal of the Japan-China Relationship demanding that China explain its actions. They argued that the arrest damaged trust between the two nations and was a shock "beyond words."⁸⁴ Since Iwatani's arrest, many Japanese scholars have canceled research trips to China.⁸⁵

Since 2015, at least 13 Japanese citizens have been detained in China on various charges, including espionage. But this case was particularly acute for several reasons. First, Iwatani was in Beijing at the invitation of the Institute of Modern History at the Chinese Academy of Social Sciences (CASS), a well-known research institution affiliated with China's State Council. Iwatani was staying at facilities provided to him by CASS, raising questions about how it came to be known that he was collecting information and what exactly constitutes "state secrets," given that he is a historian who was conducting research.⁸⁶ Several experts described the episode as a Chinese "influence operation" that is, once again, having a negative effect upon Japanese sentiment. The message China is sending to Japan, they told us, was: "We may have a bilateral détente, but we can still do whatever we want," with some labeling it as "hostage diplomacy." In a twist, citing the 2014 anti-espionage law, China in the summer of 2019 detained a Chinese professor based at the Hokkaido University of Education while he was visiting his hometown in Jilin Province, China.

Chinese']," *Casino-ir-japan.com*, August 7, 2017, <http://casino-ir-japan.com/?p=17466>.

82. "Akimoto Yougisha ni Kouenryou 200 Man En Chugoku Kigyou 'Fuku Daijin Naitei' de Zougaku [Speaking fee 2 million yen for Suspect Akimoto, Chinese company raising fee due to 'expected to be vice minister' status]," *FNN Prime*, December 28, 2019, https://www.fnn.jp/posts/00429664CX/201912281202_CX_CX.

83. Laura Zhou, "China, Japan must rebuild trust after detention of 'spy' Nobu Iwatani, Japanese official says," *South China Morning Post*, December 12, 2019, <https://www.scmp.com/news/china/diplomacy/article/3041814/china-japan-must-rebuild-trust-after-detention-spy-nobu>.

84. Atarashii Nicchu Kankei wo Kangaeru Kenkyusha no Kai, "Apiru: 'Nihonjin Kenkyusha no Kousoku' wo Yuuryo shi Kanren Jouhou no Kaiji wo Motomemasu [Appeal: Demanding disclosure concerning 'the arrest of Japanese researcher']," *Japanchinarelations.org*, October 29, 2019, <http://japanchinarelations.org/dp/archives/42.html?sfns=mo&from=singlemesssage&isappinstalled=0>.

85. Shaun O'Dwyer, "China's growing threat to academic freedom," *Japan Times*, November 25, 2019, <https://www.japantimes.co.jp/opinion/2019/11/25/commentary/japan-commentary/chinas-growing-threat-academic-freedom/#.Xgz5RBdKjMI>.

86. Shin Kawashima, "China's Sharp Power Comes to the Fore: The Values Gap Grows Clearer in the Academic Sphere," *Nippon*, December 3, 2019, <https://www.nippon.com/en/in-depth/d00527/china-s-sharp-power-comes-to-the-fore-the-values-gap-grows-clearer-in-the-academic-spher.html>.

An acquaintance in Hokkaido believed his arrest may be tied to his links to the 1989 Tiananmen Square protests, suggesting the law is used for political censorship.⁸⁷

Outreach to Chinese Students

The CCP views the Chinese diaspora worldwide as a potential tool of influence. “You have to look at how China shapes the views of Chinese in Japan,” explains Stephen Nagy, a professor at International Christian University in Tokyo. “One group to look at are short term stays of students in Japan. My Chinese students came with pre-scripted language on things like Hong Kong,” he told me, reflecting the concerns of other professors in Japan including one professor who expressed concern—not for attribution—that such political debates on campuses could turn violent in the future.

Nagy said:

It’s the same in Melbourne and in Canada. The Chinese students ratted out the Chinese Embassy in Canada for giving them talking points. In Japan, there isn’t that degree of interference, but Chinese government-funded students monitor each other; the party members have to meet one another if there are more than three party members at a university. The government is influencing the way Chinese students behave in Japan. They come to Japan to study BRI, for example, but if you give them information that is critical, they say they have to switch topics. It’s cognitive dissonance and risk reduction as a form of instinct. So, they stick to non-sensitive stuff like cultural diplomacy. One student looked at Sister City diplomacy, but it was descriptive. (In fact, for China, Sister City programs are overseen by Beijing’s Chinese People’s Association for Friendship with Foreign Countries, which is a proxy UFWD group that uses the relationships to influence the narratives on Taiwan and other issues abroad.) Meanwhile, private-funded students from China in Japan are different because they come to Japan to get a different view.

Christian Hess, a Chinese history scholar at Sophia University in Tokyo, told us he sees no CCP information campaigns in Japan, however, and that his Chinese students are in Japan because they genuinely like the country’s culture and would like to fit into the society. While the United States is a rival and Australia could be influenced “cost effectively,” Hess said, China’s approach toward Japan is much more cautious in its use of influence activities because anti-Japan sentiment could get out of hand. Hess wondered whether the CCP might see a lack of inroads in Japan for influence activities and that trying to influence Japan may not be worth the effort.

87. Takatsuka Nao, “China flexes espionage law to detain Japan-based professor,” NHK World News, April 12, 2020, <https://www3.nhk.or.jp/nhkworld/en/news/backstories/1020/>.

2 | Resilience and Vulnerabilities

Traits Unique to Japan

Public Sentiment as a Measure of Political Influence

One quantifiable way to measure political influence is to look at public sentiment, and in this regard, Japan stands apart as possibly the most negatively disposed country in the world toward China. According to a spring 2019 Pew Research poll, Japanese had the most negative views of China among all 34 countries surveyed, at 85 percent negative.⁸⁸ Japan's official opening to China in 1972, when Japanese public sentiment, according to Japan's Cabinet Office polls, saw significantly more positive public sentiment—coinciding with the nation's "panda boom." Public sentiment has fallen consistently ever since, while Japanese sentiment toward the United States has remained consistently the most positive.⁸⁹ Masaharu Hishida, who tracks bilateral sentiment at Hosei University, told us that while younger Japanese are relatively fonder of China, older Japanese are jaded by China's actions over the past few decades, specifically the 1989 Tiananmen crackdown, the sense of betrayal among Japanese leftists that China did not stick to its socialist principles, and the arrest of Japanese researchers in China. Hishida sees negative attitudes toward China in Japan as a vicious circle starting with a negative bias that drives people to seek confirmation in negative news stories, thus compelling the media to provide those stories.

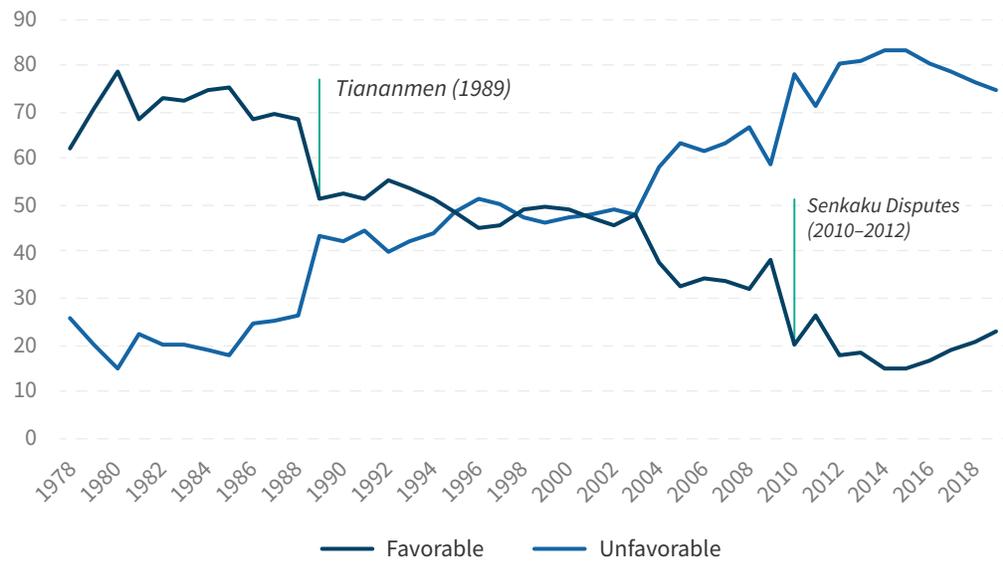
Xi Jinping complained on November 22, 2019, that Japanese opinion of China is plagued by bias and prejudice.⁹⁰ A Bloomberg report astutely noted that Xi's complaint would probably only make things worse—again creating further backlash. "The fact that Chinese people have a more favorable view of Japan [than Japanese do of China] shows that China is following the right path," Xi said, adding, "we are encouraging people to visit Japan." The Abe administration

88. Laura Silver, Kat Devlin, and Christine Huang, "People around the globe are divided in their opinions of China," Pew Research Center, December 5, 2019, <https://www.pewresearch.org/fact-tank/2019/12/05/people-around-the-globe-are-divided-in-their-opinions-of-china/>.

89. The Japanese Cabinet Office poll annually has tracked the favorability among 3,000 Japanese surveyed of China and the United States and other countries since 1978. Retrieved (Jan. 2, 2020) from <https://survey.gov-online.go.jp/index-gai.html>; and Alex Martin, "The public has spoken: Xiang Xiang is the name of Ueno Zoo's newest star," *Japan Times*, September 25, 2017, <https://www.japantimes.co.jp/news/2017/09/25/national/baby-panda-ueno-zoo-named-xiang-xiang/#.XiZN5hdKjMJ>.

90. "Japan Needs to Do More to Fix China's Image Problem, Xi Says," Bloomberg News, November 22, 2019, <https://www.bloomberg.com/news/articles/2019-11-22/japan-needs-to-do-more-to-fix-china-s-image-problem-xi-says>.

Japanese Sentiment Toward China (%)



Source: Public Relations Office, Cabinet Office (Government of Japan), *Overview of the Public Opinion Survey on Diplomacy* (December 2017), distributed by the government of Japan, <https://www.gov-online.go.jp/eng/pdf/summaryg17.pdf>.

has relaxed tourist visas from China, and between 2013 and 2018, Chinese visits to Japan increased 600 percent to a record high of more than 8 million in 2018 (conversely, only about 2.5 million Japanese visit China annually).⁹¹ By contrast, Japanese television news featured stories about U.S.-China economic conflict “almost every day” during the polling period of September 2019.⁹² When media is profit-driven, it caters to the audience’s bias, and the Japanese public appears to thirst for China-bashing stories. Over the years, complaints from Chinese officials about critical media reports in Japan demonstrate that Chinese and Japanese interlocutors are speaking past one another based on incompatible norms.

In sum, China’s hard and coercive power does not necessarily translate into soft power, an aim which Hu Jintao introduced in 2007 at the 17th National Congress of the Communist Party. Scholar Joseph Nye has frequently noted this challenge for Beijing. China’s positives, such as its economic growth, military power, and political influence, paradoxically manifest as threats in the global and Japanese imaginations, while its negatives—such as human rights violations; its handling of the Hong Kong democracy protests, Covid-19, and Uighurs in Xinjiang; or territorial ambitions in the East and South China Seas—serve to add to the list of negatives. Either way, China cannot seem to win in a conflict that is fundamentally a clash of values. Nevertheless, sharp episodes of influence do present a risk to sustaining the relative peace. What are some of the traits that are unique to Japan that shape attitudes toward China?

91. He Huifeng, “Chinese tourism to Japan hits record highs, as travelers turn their back on protest-hit Hong Kong, Taiwan,” *South China Morning Post*, November 24, 2019, <https://www.scmp.com/economy/china-economy/article/3038966/chinese-tourism-japan-hits-record-highs-travellers-turn-their>.

92. Yashushi Kudo, “Why do the Japanese have negative views of China?,” Genron NPO, October 25, 2019, http://www.genron-npo.net/en/opinion_polls/archives/5506.html.

A Long History of Conflict with China

Popular historical recollection among both the Japanese public and armed forces describes five distinct wars, mainly over the Korean Peninsula, between Japan and China that have shaped relations between the two states. According to retired Japanese Navy vice admiral Yoji Koda, Japanese society, including the military, sees China as a great teacher, but it also sees the relationship through the prism of fighting wars with China over regional security for nearly 2,000 years (similar the view of China in Vietnam). Armed conflicts flared in 663AD (Battle of Baekgang), 1274 (Mongol invasions), 1592 (Japanese invasion of Korea), 1894 (First Sino-Japanese War), and 1931 (Second Sino-Japanese War). In addition to the five wars, several interviewees identified the 2010-2012 China-Japan conflict over the Senkaku/Diaoyu Islands and China's decision to stop exports of rare earth metals to Japan as a "turning point" and a nadir in the relationship. While China-Japan economic harmony was previously seen as protected from any political disputes, that perception changed during this time, and views in Japan about China reached new lows. This episode is one of the sharpest examples of China's use of economic coercion, although China denies that description, arguing that a reduction in rare earth exports was previously planned and was unrelated to the conflict.⁹³ In any case, China's restriction of the minerals likely backfired, according to a report by the Heritage Foundation: "In the years following the Chinese move [to restrict rare earths], Australia and the United States both substantially expanded their production of rare earth minerals, as did Brazil, Malaysia, Russia, Thailand, and Vietnam. New reserves were also identified in India and Canada. Most recently, Japan discovered a major offshore deposit of rare earths that is estimated to be able to meet centuries of demand."⁹⁴

Japan's Relative Isolation as a "Galapagos" Island

Japan has historically been relatively isolated from foreign migration and investment, making it less susceptible to foreign influence. To this day, many Japanese describe their country as having a "Galapagos syndrome," an expression that captures its relative cultural, economic, and linguistic separation from the rest of the world. Yuichi Hosoya of Keio University told us that when he served as adviser to the prime minister, he would receive emails spoofing the accounts of Japanese journalists, but he could tell they were from Chinese agents due to their poor grammar and Chinese characters. Japan's ambivalence to economic globalization for most of its postwar period has helped to bring about an isolationist image among the world's industrialized economies.⁹⁵ This image largely stemmed from Japan's economic recovery strategy beginning in the 1950s that included state subsidies, protective trade barriers, and strict quotas in order to limit competition from imports until its industries could compete internationally.⁹⁶

93. Michael Green et al., "CSIS Counter Coercion Series: Senkaku Islands Trawler Collision," CSIS, May 18, 2017, <https://anti.csis.org/counter-co-trawler-collision/>.

94. Dean Cheng, Nicolas Loris, and Klon Kitchen, *China is a paper tiger on rare earth minerals* (Washington, DC: The Heritage Foundation, 2019), <https://www.heritage.org/asia/report/china-paper-tiger-rare-earth-minerals>.

95. "No Country is an Island," *The Economist*, December 1, 2007, <https://www.economist.com/special-report/2007/12/01/no-country-is-an-island>.

96. R. Taggart Murphy, "A Loyal Retainer? Japan, capitalism, and the perpetuation of American Hegemony," *The Asia-Pacific Journal: Japan Focus* 8, no. 41 (2010): 2, <https://apjff.org/-R-Taggart-Murphy/3425/article.html>.

Although Japan has long been one of the world's largest investors and is the top country (trailed by Germany and China) for outbound foreign direct investment (FDI), with \$143 billion in global investments in 2017-2018, it has undergone significant reforms regarding its traditionally limited inbound FDI.⁹⁷ Once labeled “the most closed investment market in the developed world,” the promotion of inbound FDI, a top Abenomics priority, has been unveiled through a series of interministerial policy initiatives.⁹⁸

Historically, Japan's aversion to foreign investments has been attributed to stringent regulations, protected industries that prohibit majority foreign ownership, and the prevailing fear that non-Japanese owners would disrupt lifetime employment norms by cutting costs through mass layoffs.⁹⁹ Additionally, foreign investors have been deterred by Japan's comparative low returns on investments, the high price of land and labor, and strict consumer protections as well as the language barrier and geographic distance.¹⁰⁰ While Abe has sought to reduce some of these barriers, Japan's inbound FDI in 2018 was just \$9.8 billion, which is not even among the world's top 20 countries and, at just 4 percent of GDP (in 2017), is far below the rest of the OECD.¹⁰¹

Japan's isolationist inclinations have not only included capital inflows but people as well. Among OECD countries, Japan is ranked near the bottom among rich countries for the proportions of foreign born (1.9 percent), immigrants (1.76 percent), and refugees admitted (only 22 total in 2018).¹⁰² While it is the fourth-largest exporter and importer in the world, Japan is also near the bottom in overall trade dependence at 37 percent, compared to the world average of 59 percent, as measured by international trade as a percentage of GDP, according to World Bank statistics for 2018.¹⁰³

Nevertheless, before the Covid-19 outbreak, the promotion of temporary visitors, including tourism and study abroad students, has been an important Abenomics policy goal along with free trade and FDI. The Covid-19 crisis had cut visits from overseas by 99 percent in April 2020 and was expected to reduce tourist spending by some \$22

97. UNCTAD, *World Investment Report 2019: Special Economic Zones* (New York: United Nations Publications, 2019), 7, https://unctad.org/en/PublicationsLibrary/wir2019_en.pdf.

98. Peter Mandelson, “Unfinished Globalisation: Investment and the EU-Japan relationship,” (speech, Tokyo, April 21, 2008), https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_08_210; Government of Japan. “Abenomics,” January 2020, 14, https://www.japan.go.jp/abenomics/_userdata/abenomics/pdf/2001_abenomics.pdf; and “INVEST JAPAN Foreign Direct Investment Promotion,” Office of Foreign Direct Investment Promotion Cabinet Office (Japan), February 5, 2020, http://www.invest-japan.go.jp/en_index.html.

99. Stephen Hibbard et al., “How the Environment for Foreign Direct Investment in Japan Is Changing—for the Better,” *Knowledge @ Wharton*, April 20, 2009, <https://knowledge.wharton.upenn.edu/article/how-the-environment-for-foreign-direct-investment-in-japan-is-changing-for-the-better/>.

100. Masako Suginoara, “The Politics of Economic Nationalism in Japan: Backlash against Inward Foreign Direct Investment?,” *Asian Survey* 48, no. 5 (2008): 844, doi:10.1525/AS.2008.48.5.839.

101. UNCTAD, *World Investment Report 2019*, 10.

102. “International Migration Outlook 2019: The foreign-born as a percentage of the total population in OECD countries, 2000 and 2018,” OECD, February 5, 2020, https://read.oecd-ilibrary.org/social-issues-migration-health/the-foreign-born-as-a-percentage-of-the-total-population-in-oecd-countries-2000-and-2018_3f252c6f-en#page1; Tomohiro Ebuchi and Yusuke Yokota, “Japan immigration hits record high as foreign talent fills gaps,” *Nikkei Asian Review*, April 13, 2019, <https://asia.nikkei.com/Spotlight/Japan-immigration/Japan-immigration-hits-record-high-as-foreign-talent-fills-gaps>; and United Nations High Commissioner for Refugees (UNHCR), *UNHCR Projected Global Resettlement Needs 2020* (Geneva: UNHCR, 2019), 82, <https://www.unhcr.org/5d1384047.pdf>.

103. “Trade (% of GDP),” World Bank, https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?most_recent_value_desc=false.

billion by August.¹⁰⁴ In 2018, Japan had the eleventh most tourists (with the world's highest tourism growth rate),¹⁰⁵ and it had the fifth most international students in the OECD in 2012, the year Abe returned to power.¹⁰⁶ Between 2013 and 2018, Japan enjoyed consistent growth in total foreign students, rising from 135,519 to 298,980, was on track (before the Covid-19 crisis) to reach its goal of hosting 300,000 students by 2020, and reached its goal of hosting 20 million tourists with 20,080,600 in 2019.¹⁰⁷ Incidentally, China has become the largest source of both tourists and international students for Japan (as well as for the world).¹⁰⁸ One might suspect that with a growing tourism industry, Japan would excel in English-language proficiency, but that is not the case; it fell from 49th to 53rd out of 100 non-English speaking countries in 2019 and ranks below the world average for English proficiency.¹⁰⁹ This linguistic isolation is also thought to be part of the country's Galapagos syndrome.

Although Chinese inbound FDI to Japan has grown, it continues to be hindered by the overall wariness toward a rising China. Total Chinese investment in Japan in 2017 remained just below the \$600 million mark, less than that of smaller economies, such as Singapore and Taiwan.¹¹⁰ As a result, Japan continues to be one of the least exposed economies to China as measured by inbound FDI from China as a share of domestic investment.¹¹¹

China's domination of Japan's tourism, however, poses unique challenges for Japanese society, not least because Japanese citizens have complained about the influx and manners of Chinese tourists at cultural sites. As its growing tourism industry continues to depend heavily on Chinese tourists (who now constitute nearly a third of all visitors), Japan becomes increasingly vulnerable to shifts in Chinese consumer preferences and the health of the bilateral political relationship.¹¹² Meanwhile, the growth of Chinese university students (who represent

104. "Coronavirus to cut foreign visitors' spending in Japan by \$22 bil.," Kyodo News, May 27, 2020, <https://english.kyodonews.net/news/2020/05/768afb35b669-coronavirus-to-cut-foreign-visitors-spending-in-japan-by-22-bil.html>.

105. "International tourism, number of arrivals," World Bank, https://data.worldbank.org/indicator/ST.INT.ARVL?most_recent_value_desc=true&view=map.

106. "OECD Tourism Trends and Policies 2018: International tourist arrivals, 2012-16," OECD, February 5, 2020, https://read.oecd-ilibrary.org/urban-rural-and-regional-development/oecd-tourism-trends-and-policies-2018/international-tourist-arrivals-2012-16_tour-2018-table2-en#page1; and "Foreign/international students enrolled: Non-resident students of reporting country 2012," OECD, February 5, 2020, <https://stats.oecd.org/Index.aspx?DataSetCode=RFOREIGN>.

107. "International Students in Japan 2018," Japan Student Services Organization (JASSO), January 2019, https://www.jasso.go.jp/en/about/statistics/intl_student/data2018.html; and Jiji Press, "Visitors from ROK declined 26% in '19," *Japan News*, January 18, 2020, <https://the-japan-news.com/news/article/0006296165>.

108. Min-Hua Chiang, "Contemporary China-Japan Relations: the Politically Driven Economic Linkage," *East Asia* 36, no. 4 (2019): 283, doi:10.1007/s12140-019-09321-x; and "2019 Open Doors Report," Institute of International Education, <https://www.iie.org/research-and-insights/open-doors/data/international-students/places-of-origin>.

109. Jiji Press, "Japanese ranked 53rd in English skills in annual worldwide survey," *Japan Times*, November 9, 2019, <https://www.japantimes.co.jp/news/2019/11/09/national/japanese-ranked-53rd-english-skills-annual-worldwide-survey/#.XtVRUpbQjm0>.

110. OECD, *OECD International Direct Investment Statistics 2018, 2008-2017* (Paris: OECD Publishing, 2019), 163-164, https://read.oecd-ilibrary.org/finance-and-investment/oecd-international-direct-investment-statistics-2018_bb55ccaf-en#page13.

111. Jonathan Woetzel et al., *China and the World: Inside the Dynamics of a Changing Relationship* (New York: McKinsey Global Institute, July 2019), 53, <https://www.mckinsey.com/~media/mckinsey/featured%20insights/china/china%20and%20the%20world%20inside%20the%20dynamics%20of%20a%20changing%20relationship/mgi-china-and-the-world-full-report-june-2019-vf.ashx>.

112. John West, "The China-Japan Economic Relationship Is Getting Stronger," Brink, January 21, 2020, <https://www.brinknews.com/the-china-japan-economic-relationship-is-getting-stronger/>; and André Andonian et al., *The future of*

40 percent of all international higher education students in Japan as of 2018) has been accompanied by suspicions regarding government-funded CIs on Japanese campuses and their use as “centers of spy activity and propaganda tools of the CCP.”¹¹³ The recent shuttering of CIs in other countries for similar concerns has not gone unnoticed.

Still, the recognition that the Galapagos syndrome mentality is no longer sustainable and that past isolationist policies have become incompatible with future growth strategies are evidenced by recent reforms. Although Japan has long sought to avoid exposure to foreign economic interests, Abenomics policies have in fact increased its reliance on China, which represents a top source of foreign students, tourists, and parts suppliers to the Japanese economy and manufacturers. While Japan has passed on other Chinese projects (such as the BRI) for political reasons, its long-term economic plan for continued growth has seemingly ushered in with it the potential for greater Chinese influence, which it has mostly avoided otherwise.

Political Homogeneity and an Apathetic Public

Japan has enjoyed a high degree of political stability, especially since the LDP returned to power in 2012. Other than two short hiatuses (1993 to 1994 and 2009 to 2012), the LDP has almost continually controlled the government since 1955.¹¹⁴ As a result, it represents one of the foremost cases of single-party domination among the world’s postwar democracies.¹¹⁵

From a return on investment viewpoint, China’s efforts to interfere in Japan’s elections may not be worth the trouble, explains scholar Tina Burrett, who studies political interference and disinformation at Sophia University in Tokyo. In an interview with us in Tokyo, she pointed out that the outcome of such election interference would likely be too marginal to make a substantial difference. An effective Chinese campaign would need to create an unlikely dramatic change in the way people vote in Japan, and perhaps only a referendum on the constitution would be worth such an effort. “For elections you’d have to make a massive difference in the way people vote in order to make a difference. For Brexit and Trump, it was non-voters who were targeted. In Japan, you’d have to create such a sea change,” she told us. (The Brexit and Trump campaigns used the same strategy and the same consulting firm, Cambridge Analytica.¹¹⁶)

Japan’s tourism: Path for sustainable growth towards 2020 (New York: McKinsey Japan and Travel, Transport and Logistics Practice, October 2016), 13, <https://www.mckinsey.com/~media/mckinsey/industries/travel%20transport%20and%20logistics/our%20insights/can%20inbound%20tourism%20fuel%20japans%20economic%20growth/the%20future%20of%20japans%20tourism%20full%20report.ashx>.

113. JASSO, “International Students in Japan 2018”; and “Rekishisen Dai 20-bu Koshi Gakuin: ‘Bunka Supai Kikan’ Hatsugen de Kainin ‘Chugoku’ wo Hasshin, Nihon ni wa 14 shidai, Kankatsu Aimai ‘Amari ni Mubobi’ [History Battle Part 20: Confucius Institutes: Dismissed as ‘Cultural Spy Agencies’ from ‘China’ to 14 private universities in Japan, Vague jurisdictions leave everyone ‘too defenseless’],” *Sankei Nyusu*, April 11, 2018, <https://www.sankei.com/politics/news/180411/pl1804110003-n6.html>.

114. Michio Umeda, “The Liberal Democratic Party: Its Adaptability and Predominance in Japanese Politics for 60 Years,” *Asian Journal of Comparative Politics* 4, no. 1 (2019): 8, <https://journals.sagepub.com/doi/abs/10.1177/2057891118783270>.

115. T. John Pempel, ed., *Uncommon Democracies: The One-Party Dominant Regimes* (Ithaca, NY: Cornell University Press, 2019).

116. Payne, Adam, “A British firm which helped deliver Brexit is working for Donald Trump’s campaign,” *Business Insider*, Sept. 22, 2016, <https://www.businessinsider.com/donald-trump-brexit-us-presidential-election-2016-9>.

A major feature of Japan's political stability has been its growing voter apathy. A centralized political process that favors organized interests (such as businesses, labor unions, and farmers) at the expense of individuals gives the impression that voting is "largely procedural."¹¹⁷ The strong sense of political detachment in Japan is exacerbated by a general acceptance of neoliberal reforms as an inevitability, which fuels an intraparty ideological convergence.¹¹⁸ Japan is now ranked near the bottom (36th out of 40) among OECD countries for civic engagement, as the voter turnout rate has declined from 73 percent in 1990 to just 48 percent in 2019.¹¹⁹

As Japan is controlled by a homogenous, dynastic establishment that is concerned about Chinese power, China's elite capture tactics have been less effective than in more competitive democracies. The ban on foreign political contributions likely provides an added layer of insulation.¹²⁰ Moreover, Japan's bipartisan wariness toward, as well as its historical familiarity with, China makes it "less amenable" to malign influence activities.¹²¹ Although the now-defunct Democratic Party of Japan (the ruling party from 2009 to 2012) was viewed as more pro-China than the LDP, it also adhered to many hardline positions, including the Senkaku territorial dispute.¹²²

One could look outside Japan's political mainstream for outlying vectors of influence, but even the politically-weak Japan Communist Party (holding just 12 of 465 seats in Japan's dominant lower house of parliament) remains resistant to Chinese influence and is rather nationalistic.¹²³ China's inability to influence Japan is reflected by its negative popular depictions, including skeptical outlooks on China's self-proclaimed "peaceful" rise, particularly since territorial disputes gained prominence in the 2000s.¹²⁴ As a result, the Japanese public maintains a negative view of China given the highly-publicized nature of these security issues.¹²⁵ Although the number of Chinese tourists visiting Japan, along with overall Chinese opinions of Japan, are both at historical highs, 85 percent of Japanese maintain "unfavorable" opinions of China.¹²⁶ Given the ongoing

117. Yuki Ishikawa, "Calls for Deliberative Democracy in Japan," *Rhetoric & Public Affairs* 5, no. 2 (2002): 339, <https://www.jstor.org/stable/41939748?seq=1>.

118. Chris Pope, "Bringing back 'Japan': Prime minister Abe's political rhetoric in critical perspective," (PhD dissertation, University of Sheffield, 2017), <http://etheses.whiterose.ac.uk/17709/1/Chris%20G.%20Pope%20-%20Bringing%20back%20%27%20-%20Prime%20minister%20Abe%27s%20political%20rhetoric%20in%20critical%20perspective.pdf>.

119. "Civic Engagement," OECD Better Life Index, January 24, 2020, <http://www.oecdbetterlifeindex.org/topics/civic-engagement/>; and Hiroataka Kasai, "Democratic Meltdown and the Contemporary Forms of Political Apathy," *Kokusai Kankeigaku Kenkyu [Study of International Relations]* 45 (2018): 19; "Kokusei Senkyo ni okeru Nendai Betsu Tohyo-Ritsu ni tsuite [Age-Specific Voter Turnout in National Elections]," Ministry of Internal Affairs and Communications, January 24, 2020. https://www.soumu.go.jp/senkyo/senkyo_s/news/sonota/nendaiбетu/.

120. Sayuri Umeda, "Japan," In *Regulation of Foreign Involvement in Elections* (Washington, DC: Law Library of Congress, 2019), 58, <https://www.loc.gov/law/help/elections/foreign-involvement/foreign-involvement-in-elections.pdf>.

121. Diamond and Schell, *China's Influence & American Interests*, 187.

122. Ming Wan, "Japan's Party Politics and China Policy: The Chinese Fishing Boat Collision Incident," *Journal of Social Science (University of Tokyo)* 63, 3-4 (2011): 99, https://jww.iss.u-tokyo.ac.jp/jss/pdf/jss630304_095110.pdf.

123. Diamond and Schell, *China's Influence & American Interests*, 187.

124. Yun Yu and Ji Young Kim, "The stability of proximity: the resilience of Sino-Japanese relations over the Senkaku/Diaoyu Dispute," *International Relations of the Asia-Pacific* 19, no. 2 (2019): 328, doi:10.1093/irap/lcy012.

125. Hsiao, "A Preliminary Survey of CCP Influence Operations in Japan."

126. "The 15th Joint Public Opinion Poll: Japan-China Public Opinion Survey 2019," Genron NPO; and Japan National Tourist Office, "Honichi-Gai kyakusu, Kokuseki/Tsukibetsu Honichi-gai Kyakusu (2003-nen ~ 2019-nen) [Number of Foreign Visitors to Japan, Number of foreign visitors to Japan by Nationality/Month (2003-2019)]," Japanese National

Covid-19 outbreak and recent Hong Kong protests, such public vigilance toward China's rise is likely to continue to reward political parties that prioritize Japan's national security, a defining feature of Abe's LDP.

Tightly Controlled Private Media in Japan

The flip side of a weak Chinese media presence in Japan is the extremely strong grip Japan's media has on the domestic market. Also, while China's state media advances its national interests (including good relations with Japan), Japan's media follow a profit motive and therefore cater to consumer preferences (bashing China). Thus, the information space is tight. As journalist Kenji Minemura put it, the *Asahi Shimbun* and *Yomiuri Shimbun*, akin to Japan's *New York Times* and *Wall Street Journal*, dominate the Japanese media sphere like monopolists, leaving little room for foreign influence. To be sure, as one of the most literate and media-saturated societies, Japan boasts the world's largest newspaper circulation and lowest news avoidance rate, as news consumption is considered a civic "duty."¹²⁷

The five major media conglomerates—consisting of the TV-newspaper cross-ownerships of TBS-Mainichi, TV Asahi-Asahi, NTV-Yomiuri, Fuji TV-Sankei, and TV Tokyo-Nikkei, along with public broadcaster NHK—control nearly all of the major mainstream print and broadcast media. Media political leanings are typically centrist but can vary from left-center (TV Asahi-Asahi) to conservative-nationalistic (Fuji TV-Sankei).¹²⁸ The industry's cross-ownership structure, while allowing its comparative stability, has also contributed to a dearth in the variety of views represented and has effectively prevented outside takeovers that are common in other markets.¹²⁹ Given the industry's centralized "oligopolistic" structure, as it is described in a 2019 report by Bertelsmann Stiftung, it is also comparatively resistant toward foreign ownership and influence.¹³⁰ However, Abe's drive for deregulation may change this stable situation.

While Japan is not immune to global media consumption trends, the overall shift to digital and online news has been slower than in many countries given the industry's incentives to protect traditional revenue sources.¹³¹ Most regional newspapers are still operated by their original owners and have circulation shares averaging over 50 percent of households. Newspapers in Japan do not list their shares on financial exchanges, giving them

Tourism Office, January 24, 2020, https://www.jnto.go.jp/jpn/statistics/since2003_visitor_arrivals.pdf.

127. Dentsu Media Innovation Lab, *Information Media Trends in Japan 2018* (Tokyo: Diamond, Inc., 2018), 3, https://www.dentsu.com/knowledgeanddata/publications/pdf/information_media_trends_in_japan_2018.pdf; and Nic Newman et al., *Reuters Institute Digital News Report 2019* (Oxford: Reuters Institute for the Study of Journalism, 2019), 26, https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-06/DNR_2019_FINAL_0.pdf.

128. Werner Pascha, Patrick Köllner, and Aurel Croissant, *Sustainable Governance Indicators 2019: Japan Report* (Gütersloh, Germany: Bertelsmann Stiftung, 2019), 26, https://www.sgi-network.org/docs/2019/country/SGI2019_Japan.pdf.

129. Tatsunari Tsuruta, "Housou Jigyuu Kisei no Nichibei Hikaku to Nihon no Mondaiten [Comparisons of Japan and US Broadcasting Regulations and the Problems of Japan]," *Kiyo* 61 (2018): 8; and Joseph Lee, "The Current Barriers to Corporate Takeovers in Japan: Do the UK Takeover Code and the EU Takeover Directive Offer a Solution?," *European Business Organization Law Review*, November 2017, doi:10.1007/s40804-017-0091-1.

130. Koichi Iwabuchi, "To Globalize, Regionalize or Localize us, that is the Question: Japan's Response to Media Globalization," in *The New Communications Landscape*, Georgette Wang, Jan Servaes, and Anura Goonasekera, eds. (New York: Routledge, 2000), 145. One of the most prominent examples of this insularity is the public backlash that prevented media mogul Rupert Murdoch from successfully acquiring TV Asahi in the early-2000s.

131. Newman, *Reuters Institute Digital News Report 2019*, 136.

protection from external interference.¹³² Still, print revenue and circulation have been in a downward trend for nearly two decades, exacerbated by Japan's shrinking domestic population.¹³³ As online news has grown since the 2000s, Yahoo! Japan has maintained its role as the most popular online news portal and now reaches two-thirds (66 percent) of smartphone users.¹³⁴ More recently, independent online media sources have grown in prominence, including those espousing extremist right-wing views (i.e., *netto-uyo*, or the "internet neo-nationalists" phenomenon). An estimated 40 percent of the population accesses social media, and this share is projected to continue to grow.¹³⁵

Although freedom of speech and a free press are both constitutionally guaranteed, Japan has fallen from 22nd in 2012 to 66th in the 2020 World Press Freedom Index, now last among the G-7 countries.¹³⁶ The passage of a vaguely-worded, controversial state secrets law in 2013 that can send whistleblowers to jail for 10 years if they leak classified information contributed to Japan's drop in the ranking as it could be used to muzzle the press. The law also was passed to facilitate intelligence sharing between Japan and the United States on China's military assertiveness. Officials in all ministries can designate state secrets for up to 60 years in the areas of defense, diplomacy, counter-terrorism, and counter-espionage.¹³⁷ In recent years under the Abe administration, the government also has been accused of pressuring and bullying domestic press to support government positions, further narrowing the space for an already-limited press.

A reoccurring accusation is that Abe uses access to reward allies and shunning to punish enemies.¹³⁸ In 2017, the UN special rapporteur David Kaye issued a report on "worrying signals" on Japan's freedom of expression, pointing to media self-censorship, government pressure, and restrictions on information.¹³⁹ In 2018, Abe's attempt to deregulate the media sector by revising the broadcast law (of 1950), whose Article 4, chapter 2, requires political neutrality and that broadcasts "not distort the facts," was met with criticism that such a change would lead to a flood of fake news.¹⁴⁰ Paradoxically, that same broadcast law article (akin to the US Fairness Doctrine 1949-1987) has also been described as a potential government tool of censorship.¹⁴¹ In any

132. Dentsu Media Innovation Lab, *Information Media Trends in Japan 2018*, 3.

133. "Circulation and Households," Nihon Shinbun Kyokai [Japan Newspaper Publishers and Editors Association], January 12, 2020, <https://www.pressnet.or.jp/english/data/circulation/circulation01.php>.

134. Newman, *Reuters Institute Digital News Report 2019*, 18.

135. "Japan social media user penetration 2017-2023," Statista, September 24, 2019, <https://www.statista.com/statistics/553650/mobile-messaging-user-reach-japan/>.

136. "Japan," Reporters Without Borders, January 12, 2020, <https://rsf.org/en/japan>; and "World Press Freedom Index 2011/2012," Reporters Without Borders, <https://rsf.org/en/world-press-freedom-index-20112012>.

137. Linda Sieg and Kiyoshi Takenaka, "Japan enacts state secrets law despite protests," Reuters, Dec. 6, 2013, <https://www.reuters.com/article/us-japan-secrets/japan-enacts-strict-state-secrets-law-despite-protests-idUSBRE9B-50JT20131206>

138. Martin Fackler, "The Silencing of Japan's Free Press," *Foreign Policy*, May 27, 2016, <https://foreignpolicy.com/2016/05/27/the-silencing-of-japans-free-press-shinzo-abe-media/>.

139. Justin McCurry, "Japan accused of eroding press freedom by UN special rapporteur," *Guardian*, June 13, 2017, <https://www.theguardian.com/world/2017/jun/13/japan-accused-of-eroding-press-freedom-by-un-special-rapporteur>

140. Tomohiro Osaki, "Panel balks at proposing the killing of Japan's political fairness clause," *Japan Times*, June 4, 2018, <https://www.japantimes.co.jp/news/2018/06/04/national/politics-diplomacy/panel-balks-proposing-killing-japans-political-fairness-clause#.Xuz--2pKjMI>

141. "Intimidation via the Broadcast Law," Editorial, *Japan Times*, February 11, 2016, https://www.japantimes.co.jp/opinion/2016/02/11/editorials/intimidation-via-broadcast-law/#.Xuz_P2pKjMI.

case, these critiques of the media space do not mean that newspapers are monoliths; left-leaning *Asahi Shimbun* regularly criticizes the Abe administration in its editorial section and has faced Abe's wrath for critical reporting on political scandals.

Another major reason for the comparative weakness of Japan's press freedoms is a press club system (*kisha kurabu*) that disincentivizes investigative journalism by the mainstream media. This has left the role of public watchdog to be filled by the tabloid magazine media (*shukanishi*), which have historically been barred from press club membership along with freelance, independent, and foreign journalists. Established in 1890 to regulate the orderly flow of information from government ministries, Japanese press clubs are unique in that the club member organizations determine membership.¹⁴²

As the highly exclusive press club memberships are limited to the five major media conglomerates plus NHK, these mainstream reporters—who already bear an obligatory pressure to maintain good relations with government officials—are often so personally close to their sources that they become compelled to ignore compromising information. If there is widespread elite capture or bribery by China of Japanese officials, the press might not be reporting it because of this cozy relationship between the government and the press. Journalist Jonathan Watts has argued that Japan's watchdog press is more like a “lapdog” since the club system rewards self-censorship.

Fellow Travelers in Japan

Due to their ties to China or ideological backgrounds, some officials and institutions in Japan are natural allies of China. Given their influential pacifist ideology, the Japanese Buddhist group Soka Gakkai and its affiliated political party Komeito have played roles in restoring and improving China-Japan relations. Despite distrust at the government level, Komeito party leader Yoshikatsu Takeiri visited China to meet Zhou Enlai in June 1971, setting the groundwork for his second visit in July 1972 soon after Kakuei Tanaka became prime minister. While Takeiri was not necessarily representing the Japanese government, notes from the Takeiri-Zhou meeting (later known as the “Takeiri Memo”) helped convince Tanaka to move forward with normalization. The meeting notes revealed that China was not seeking war reparations from Japan and that a joint statement could avoid any mention of the Japan-U.S. security alliance and the “Taiwan Clause.”¹⁴³ In 1972, Chinese and Japanese leaders also gave short shrift to the Senkaku dispute, and China displayed satisfaction with a “vague apology” about Imperial Japan's invasion.¹⁴⁴

142. Michiko Higuchi, “Nihon no ‘Kisha Kurabu Seido’ ni suite [About Japan's ‘Press Club System’],” *Toyo Daigaku* 37, no. 1 (1993): 221; William Kelly, Tomoko Masumoto, and Dirk Gibson, “*Kisha kurabu and koho*: Japanese media relations and public relations,” *Public Relations Review* 28, no. 3 (2002): 266.

143. Masaya Inoue, “‘Takeiri Memo’ Nicchu Kokkou Seijouka wo Susumeta Koumeitou Iinchou no Dokudan Senkou [‘Takeiri Memo’ Independent decision by Komeitou Party Leader who promoted normalization of Japan-China diplomatic relations],” *Gaikou* (foreign ministry journal) 7, https://www.mofa.go.jp/mofaj/press/pr/gaikou/vol7/pdfs/gaikou_vol7_15.pdf; “Record of the Third Meeting Between Takeiri Yoshihikatsu and Zhou Enlai. July 29, 1972,” Wilson Center, <https://digitalarchive.wilsoncenter.org/document/118835>; and “Shirarezaru Koumeitou Abe Seiken wo Tasuke Nankyoku to Dakai [Unknown Komei Party Helping Abe Administration for a Breakthrough],” *J.people.com.cn*, March 15, 2013, http://japanese.china.org.cn/jp/txt/2013-03/15/content_28250718_2.htm.

144. Charles Kraus, “Debating the Sino-Japanese Normalization, 1972,” Wilson Center, April 3, 2017, <https://www.wilsoncenter.org/blog-post/debating-the-sino-japanese-normalization-1972>.

The Komeito Party website claims that promoting the normalization of China-Japan relations has been its priority since the party's foundation in 1964.¹⁴⁵ In fact, Daisaku Ikeda, the third chairman of Soka Gakkai, gave a speech promoting China-Japan normalization in September 1968, years before the actual normalization.¹⁴⁶ Following the official 1972 normalization, Ikeda visited China in May 1974 and again in December the same year at the invitation of Zhou Enlai.¹⁴⁷ The following year, Soka University (which was established by Soka Gakkai) became Japan's first university to host Chinese exchange students through a scholarship funded by the Chinese government. According to our interviews, the CCP sees Soka Gakkai as a natural ally to influence the cabinet toward maintaining Japan's Article 9, although the CCP must keep some distance since the organization is religious.

Among those six original students was former Chinese ambassador to Japan Cheng Yonghua, who became the longest-serving ambassador at that post from 2010 to 2019.¹⁴⁸ In September 2018, the Komeito's current party leader, Natsuo Yamaguchi, visited Zhou Enlai's alma mater, Nankai University, in Tianjin to mark the 50th anniversary of Ikeda's proposal for the normalization of bilateral ties. This visit reaffirmed the Komeito's long-standing position of promoting the China-Japan friendship.¹⁴⁹ That same month, the Chinese People's Association for Friendship with Foreign Countries, which is backed by CCP, gave an award to Ikeda for his contributions to China-Japan relations.¹⁵⁰

In August 2016, when the China-Japan relationship deteriorated over the South China Sea territorial disputes, a subsidiary cable TV program aired on China's state TV network, CCTV, ran a documentary about the friendship between Zhou Enlai and Daisaku Ikeda six times.¹⁵¹ That month, Japanese Foreign Minister Fumio Kishida said Japan's ties with China were "significantly deteriorating" after several Chinese fishing boats and coast guard

145. Komeito, "Nicchu Kokkou Seijouka heno Jinryoku – Ryoukoku no Hashiwatashi yaku ni 1972 nen [Contributing to Japan-China normalization – Bridging both countries (1972)," Komei.or.jp, <https://www.komei.or.jp/campaign/komei55/page/10/>.

146. "Nicchu Kokkou Seijouka Teigen (Souka Gakkai Dai 11 Kai Gakuseibu Soukai) 1968 Nen 9 Gatsu 8 Nichi [Proposal for Japan-China normalization (Soka Gakkai 11th Students Assembly) September 8th 1968]," YouTube Video, DateHanzo, July 6, 2013, 1:14:14, <https://www.youtube.com/watch?v=mAGbG2rvUgA>.

147. Hiroko Inoue, "Shinkan Shoukai: Shu Onrai, Ikeda Taisaku to Nicchu Yuukou (Hakuteisha 2006 Nen) [New Book: Zhou Enlai, China-Japan Friendship with Taisaku Ikeda (Hakuteisha 2006)]," Soka.co.jp, https://www.soka.ac.jp/files/en/20170804_022830.pdf; and "Ikeda Taisaku Sensei no Sokuseki: Sekai Kouyuu Roku (Shu Onrai) [Footprint of Mr. Taisaku Ikeda: Global friendship (Zhou Enlai)]," Soku-net, accessed January 15, 2020, <https://www.soku-net.jp/daisaku-ikeda/koyu/zhouenlai.html>.

148. Masayuki Takada and Tamiyuki Kihara, "Chunichi Chugoku Taishi ga Rinin Aisatsu Abe Shushou to Issho ni Kaijou Iri [Farewell speech by Chinese ambassador to Japan, Entering the venue with Prime Minister Abe]," *Asahi Shimbun*, May 7, 2019, <https://www.asahi.com/articles/ASM575FF7M57UHB102Q.html>.

149. Komeito, "'Kokkou Seijouka Teigen' 50 Shuunen Aratana Nicchu no Rekishi wo Hiraku ['Proposal for diplomatic normalization' 50th anniversary, Opening up for new Japan-China history]," Komei.or.jp, September 12, 2018, <https://www.komei.or.jp/komeinews/p10527/>.

150. "Ikeda Taisaku Shi ni 'Nicchu Yuukou Koukenshou' ['China-Japan Friendship Contribution Award' to Mr. Taisaku Ikeda]," China.org.cn, September 27, 2019, http://japanese.china.org.cn/jp/txt/2018-09/27/content_64171213.htm; and Yoshihisa Komori, "Nihon deno Chugoku Touitsu Sensen Kousaku [China's United Front Work in Japan]," *Sankei Shimbun*, August 25, 2019, <https://www.sankei.com/premium/news/190825/prm1908250013-n2.html>.

151. Akio Yaita, "Chugoku Media, Ikeda Taisaku Shi to Shu Onrai no Tokuban wo Housou Kankei Shufuku he Shigunaru Okuru? [Chinese media broadcasting special program on Taisaku Ikeda and Zhou Enlai, Signaling recovery in relationship?]," *Sankei Shimbun*, August 30, 2016, <https://www.sankei.com/world/news/160830/wor1608300011-n1.html>.

vessels entered disputed waters.¹⁵² A month prior, China rejected a high-profile decision by the International Criminal Court (ICC) that ruled against Chinese claims to its rights in the South China Sea.¹⁵³

Former Japanese prime minister Yukio Hatoyama is an example of an influential Japanese elite who is in sync with many of Beijing's interests in Japan. Hatoyama has attended several events with CCP-supported groups in Japan.¹⁵⁴ During his administration, Hatoyama pursued a foreign policy that was more independent of the U.S.-Japan relationship, though this was also influenced by Ichiro Ozawa, who was known as the backroom "shadow shogun." In 2009, Hatoyama hastily arranged a meeting between then-Vice President Xi Jinping and the Japanese emperor; the meeting sparked public controversy and he was accused of "injecting politics" into the relationship.

Hatoyama has been quoted asking, "How far do we really need the U.S.-Japanese alliance?"¹⁵⁵ Such sentiments are in line with CCP aims of a Japan independent of the United States. Hatoyama has publicly apologized for the Japanese military's role in the Nanjing Massacre, a historical taboo for Japanese officials. (He also apologized to South Korea.) Economically, he supports Beijing-backed initiatives, joining the international advisory board of the Chinese-led AIIB. He has urged Japan to join the AIIB and BRI initiatives. The newspaper *Mainichi Shimbun* suggested that this placement is a way for China to urge Japan to join the Chinese-led institutions.¹⁵⁶

Although there is plenty of speculation, there is no documented evidence of wrongdoing or bribery on the part of Hatoyama (he is the rich son of another former prime minister, like most prime ministers); yet many of his positions are in line with Chinese objectives. Mike Green, of Georgetown University and the Center for Strategic and International Studies (CSIS), told us that Japan's intelligence community was able to thwart an attempt by Chinese intelligence to influence Hatoyama on the design of an East Asian Community, which he proposed while in office in 2009. It is important to clarify, Hatoyama is known for being abnormal for Japanese politicians and earned the nickname "the alien." It is possible that Hatoyama is unwitting and not an example of elite capture or genuinely believes in these positions.

Japan's aid relationship with China also can be seen as an opening for Chinese influence. In addition to advocating for Xi's state visit and the BRI, LDP Secretary General Nikai has long been an advocate of foreign aid to China. Official development assistance (ODA) is defined by the OECD as "government aid that promotes and specifically targets the economic development and welfare of developing countries."¹⁵⁷ The aid relationship

152. "Japan says ties with China 'deteriorating' over disputed islands," BBC, August 9, 2016, <https://www.bbc.com/news/world-asia-37019028>.

153. "South China Sea: Tribunal backs case against China brought by Philippines," BBC, July 12, 2016, <https://www.bbc.com/news/world-asia-china-36771749>.

154. See Shanghai International Holding, an affiliate of the Shanghai Municipal Government, <http://www.shanghai.co.jp/en/bridge-links.html>.

155. Robin Harding, "Japan's ex-prime minister, Yukio Hatoyama, answers his critics," *Financial Times*, July 20, 2016, <https://www.ft.com/content/f0a23660-4918-11e6-b387-64ab0a67014c>.

156. "Former PM Hatoyama offered advisory role at Beijing-backed AIIB," *Mainichi Shimbun*, June 27, 2016, <https://mainichi.jp/english/articles/20160627/p2a/00m/0na/001000c>.

157. "Official Development Assistance (ODA)," OECD, <https://www.oecd.org/dac/financing-sustainable-development/>

between China and Japan has been an artery of influence for nearly four decades (1979 to 2018), as money begets power and influence. The aid program peaked in 2000, the year before a 2001 embezzlement scandal at the ministry, with 214.4 billion yen in loans, but came under increased scrutiny, especially after China overtook Japan as the world's second-largest economy in 2010. The power of the foreign ministry's ODA purse had created a cadre of officials with an interest in China. Money relationships present potential for the emergence of vested interests or bribery in the country's capital; the foreign ministry set up cost-based assessments of contractors for its ODA projects after a 2009 bribery scandal was revealed in Vietnam involving a Tokyo-based company.¹⁵⁸

Within Japan's foreign ministry, the phrase "China School" is an informal term that refers to foreign ministry officials who underwent language training in China.¹⁵⁹ These officials are known for their relatively friendly attitude toward China, viewing it as a major recipient of Japanese aid and policy tutelage. According to Masayuki Masuda of Japan's National Institute for Defense Studies, an embezzlement scandal (of \$2.6 million) in the foreign ministry in 2001 precipitated the ministry's and, with it, the China School's loss of influence in foreign policymaking.¹⁶⁰ Masuda argued that when the government decided to reduce and end new low-interest loans in FY 2007 to China, ahead of the 2008 Beijing Olympics, those related foreign ministry officials lost their leverage with China. Japan's decision was a response to criticism that China was using the assistance to expand its military. As a result, the bilateral relationship became more "securitized." Japan had long viewed itself as the "lead goose" among the Asian "flying geese" economies since it became the first advanced economy in the region.

The current Japanese ambassador to China, Yutaka Yokoi, appointed in March 2016, is the first China School ambassador since Yuji Miyamoto six years earlier. The newspaper *Sankei* reported that the Japanese government has refrained from appointing China School diplomats due to objections from the LDP and the public perception that they are overly sympathetic toward China. But a more recent view is that the China School's expertise may in fact be a much-needed asset for Tokyo, given the rising uncertainty about China.¹⁶¹ The group's status is therefore ambiguous, reflecting the complicated array of views about China in Tokyo.¹⁶² This assessment is consistent with the findings from our interviews "on background" (not for attribution) with Japanese officials.

When the DPJ came to power in September 2009, the party appointed Uichiro Niwa, the former chairman of Itochu as ambassador to China. Niwa, who currently serves

development-finance-standards/official-development-assistance.htm.

158. See Ministry of Foreign Affairs website on anti-corruption measures: "Introducing Anti-Corruption Measures Related to Japanese ODA Loan Projects," MOFA, April 1, 2009, <https://www.mofa.go.jp/policy/oda/reform/anti-corrupt/measure.html>.

159. Ayako Mie, "Diplomat Yutaka Yokoi named new ambassador to China," *Japan Times*, March 25, 2016, https://www.japantimes.co.jp/news/2016/03/25/national/politics-diplomacy/diplomat-yutaka-yokoi-named-new-ambassador-china/#.Xh_mEy3MzMI.

160. Katsutoshi Matsuo, "Another scandal jolts Japan," CNN, January 25, 2001, <https://edition.cnn.com/2001/WORLD/asiapcf/east/01/25/japan.scandal/>.

161. "Jiki Chugoku Taishi, Hisabisa no China School Kiyoi [Next Japanese ambassador to China, First China School in a long time]," *Sankei Shimbun*, March 13, 2016, <https://www.sankei.com/politics/news/160313/plt1603130001-n1.html>.

162. YA, "The Virtues of a Confrontational China Strategy," *The American Interest*, April 10, 2020, <https://www.the-american-interest.com/2020/04/10/the-virtues-of-a-confrontational-china-strategy/>.

as chairman of the United Front-supported Japan-China Friendship Association, was recalled to Japan in July 2012 after he apologized for criticizing Tokyo Governor Ishihara's plan to purchase the Senkaku Islands, prompting Chinese protests against Japan.¹⁶³ While Ishihara's proposal was meant to challenge the DPJ's pro-China policy, it ironically compelled then-prime minister Noda to nationalize the islands in an attempt to diffuse the situation.¹⁶⁴ On September 11, 2012, the day Japan purchased the islands, Noda appointed the UK-educated Shinichi Nishimiya as the new ambassador, but he collapsed on a street in Tokyo and died at the age of 60 just five days later.¹⁶⁵ Masato Kitera, a French specialist, was then appointed and served until the China School official Yutaka Yokoi took over in March 2016.¹⁶⁶ Following the nationalization of the Senkakus, Noda's already-low approval rating dropped sharply by 13 percentage points to 20 percent in late October 2012, and his call for snap elections ended with a major defeat to Abe's LDP in December 2012.¹⁶⁷

163. Chico Harlan, "Japan's ambassador to China returns for talks amid new row over islands," *Washington Post*, July 15, 2012, https://www.washingtonpost.com/world/japans-ambassador-to-china-returns-for-talks-amid-new-island-row/2012/07/15/gJQAQ9K6IW_story.html; Justin McCurry, "Tokyo's rightwing governor plans to buy disputed Senkaku Islands," *Guardian*, April 19, 2012, <https://www.theguardian.com/world/2012/apr/19/tokyo-governor-senkaku-islands-china>; and "Kaichou Aisatsu Kyoukai Gaiyou [Greetings from Chairman, Association Profile]," Japan-China Friendship Association, <https://www.j-cfa.com/about/>.

164. Martin Fackler, "Japan Said to Have Tentative Deal to Buy 3 Disputed Islands From Private Owners," *New York Times*, September 6, 2012, <https://www.nytimes.com/2012/09/07/world/asia/japan-agrees-to-buy-islands-at-center-of-dispute-with-china.html?ref=asia>; and Jane Perlez, "China Accuses Japan of Stealing After Purchase of Group of Disputed Islands," *New York Times*, September 11, 2012, <https://www.nytimes.com/2012/09/12/world/asia/china-accuses-japan-of-stealing-disputed-islands.html>.

165. Sheila Smith, "Ambassador Shinichi Nishimiya, 1952–2012," Council on Foreign Relations, September 17, 2012, <https://www.cfr.org/blog/ambassador-shinichi-nishimiya-1952-2012>; and Paul Armstrong, "Japan's newly-appointed Chinese ambassador dies," CNN, September 17, 2012, <https://www.cnn.com/2012/09/17/world/asia/japan-china-ambassador-dead/index.html>.

166. Kyodo, "China hand Yokoi to become ambassador to China," *Japan Times*, March 14, 2016, <https://www.japan-times.co.jp/news/2016/03/14/national/politics-diplomacy/japan-may-appoint-china-school-diplomat-yokoi-next-ambassador-beijing/#.XiHdMi3MzMI>.

167. Nihon Keizai Shimbun, "Naikaku Shijiritsu 20% ni Kyuraku, Noda Seiken de Saitei, Honsha Yoron Chousa [Cabinet approval rating declined rapidly to 20%, Lowest during Noda Administration, Public opinion poll]," *Nikkei Asian Review*, October 28, 2011, https://www.nikkei.com/article/DGXNASFS28017_Y2A021C1MM8000/.

3 | Responses

Lessons From Japan's Experience

Regulations against Foreign Influence in Japan

Japanese policies to restrict foreign influence are converging with those of the West, and vice versa. Japan's campaign environment is among the most strictly regulated in the world, with rules on the size of campaign posters, the publication of opinion polls, the number of vans used, and the times of day a rally can take place—8 a.m. to 8 p.m. at specific locations.¹⁶⁸ Japan has long been one of the most insulated countries from foreign influence activities, given that Article 36 of its 1948 Political Funds Control Law strictly prohibits donations from foreign nationals, corporations, and any organization with majority foreign ownership.¹⁶⁹ While foreign entities are banned from financing political advertisements, they are allowed to promote candidates or parties by a “method using a website,” such as blogs or social media but not email, according to the Public Office Election Act of 1950, amended in 2018.¹⁷⁰ With recent reports of foreign election interference in the United States and elsewhere, the past few years have seen regulations limiting foreign political donations adopted in many Western democracies.¹⁷¹ Australian legislation passed in 2018 that limits foreign political contributions, with Prime Minister Turnbull later citing “disturbing reports about Chinese influence” although he denied it was aimed at any one country.¹⁷² Amid the Covid-19 pandemic in late March 2020, Australia also tightened rules on foreign takeovers of Australia's strategic assets—likely with an eye toward reducing the vulnerabilities of buyouts from Chinese state-owned enterprises.

168. Fritz Plasser and Gunda Plasser, *Global Political Campaigning: A Worldwide Analysis of Campaign Professionals and Their Practices* (New York: Praeger, 2002).

169. Ministry of Internal Affairs and Communication, *Seiji Shikin Kiseihou no Aramashi* [Overview of the Political Funds Control Law] (Tokyo: February 2020), https://www.soumu.go.jp/main_content/000174716.pdf.

170. “Regulation of Foreign Involvement in Elections: Japan,” Library of Congress, <https://www.loc.gov/law/help/elections/foreign-involvement/japan.php>.

171. Luis Acosta, “Comparative Summary,” in *Regulation of Foreign Involvement in Elections* (Washington, DC: Law Library of Congress, 2019), 1-2, <https://www.loc.gov/law/help/elections/foreign-involvement/foreign-involvement-in-elections.pdf>.

172. “Australia passes foreign interference laws amid China tension,” BBC, June 28, 2018, <https://www.bbc.com/news/world-australia-44624270>.

Japan has begun updating its policies to emulate a broader trend taking place throughout the industrialized world vis-à-vis national security and a rising China—a main concern for Japan.¹⁷³ This change includes new regulations to control foreign investments (with China in mind) in industries considered critical to Japan’s national security (through a November 2019 amendment to the Foreign Exchange and Foreign Trade Act or FEFTA),¹⁷⁴ and the imposition of limitations on foreign land purchases near sensitive government facilities is currently in discussion.¹⁷⁵ The 2019 change to FEFTA, enforced by the finance and economy ministries, tightened scrutiny from 10 percent stake investments down to 1 percent stakes and listed 12 sensitive sectors, including arms, aircraft, and space, comprising 400 to 500 companies out of Japan’s 3,800 listed companies.¹⁷⁶ The implementation of the revised FEFTA is still being worked out. Both of these measures take after initiatives in the United States, European Union, and Australia designed to increase government scrutiny of Chinese investments while limiting China’s ability to pursue industrial espionage and the impact on U.S. and European partners.¹⁷⁷

While Japan has long raised concerns internationally about China’s business practices, the passage of the 2018 Foreign Investment Risk Review Modernization Act (FIRRMA) in the United States served as a “wake-up call” to the relative leniency of Japan’s investment regulations for safeguarding critical industries from the growing level of foreign investments it is openly courting under Abenomics.¹⁷⁸ Prodded by the United States to reduce Chinese access to its sensitive technologies, Japan views the strengthening of FEFTA as a means toward demonstrating its robust industrial security capabilities, with a view toward becoming the sixth intelligence-sharing “eye” of the Five Eyes security alliance.¹⁷⁹

The law’s protectionist tendencies and cumbersome bureaucracy have been met with harsh criticism from the Japanese financial community for its potential to unravel years of hard-fought market liberalizations.¹⁸⁰ Nonetheless, the Japanese government maintains

173. Lluç López-Vidal and Àngels Pelegrín, “Hedging Against China: Japanese Strategy Towards A Rising Power,” *Asian Security* 14, no. 2 (2018): 193, doi:10.1080/14799855.2017.1333983.

174. Jun Usami et al., “Japan,” in *Foreign direct investment reviews 2019: A global perspective* (New York: White & Case, 2019), 43, <https://www.whitecase.com/sites/default/files/2020-01/foreign-direct-investment-reviews-2019-final-web.pdf>.

175. “Gaishi no Tochi Shutoku Seigen wo Kentou: Bouei Shisetsu ya Genpatsu Shuhen [Restrictions on Foreign Land Acquisitions Considered in Areas near Military Facilities and Nuclear Power Plants],” *Nihon Keizai Shimbun*, January 21, 2020, <https://www.nikkei.com/article/DGXMZO54637500R20C20A1SHA000/>.

176. Mariko Kodaki, “Japan tightens entry of foreign investors in 12 strategic sectors Space, rail and utilities among 400-plus companies covered by 1% prescreening rule,” *Nikkei Asian Review*, February 21, 2020, <https://asia.nikkei.com/Economy/Japan-tightens-entry-of-foreign-investors-in-12-strategic-sectors>.

177. Farhad Jalinous et al., “CFIUS Reform Becomes Law: What FIRRMA Means for Industry,” White & Case, August 13, 2018, <https://www.whitecase.com/publications/alert/cfius-reform-becomes-law-what-firma-means-industry>.

178. Robin Harding and Leo Lewis, “Japan plans to tighten rules on foreign investment,” *Financial Times*, September 19, 2019, <https://www.ft.com/content/a38959c2-dad2-11e9-8f9b-77216ebe1f17>.

179. “Capital control,” *The Economist*, October 26, 2019, <https://www.economist.com/finance-and-economics/2019/10/26/japans-new-investment-rules-risk-scaring-off-foreign-investors>. The Five Eyes security alliance, which consists of the United States, United Kingdom, Canada, Australia, and New Zealand, has its roots in Anglo-American intelligence cooperation during World War II. Peter Tasker, “US foreign investment rules have lessons for Japan’s rigid approach,” *Nikkei Asian Review*, November 7, 2019, <https://asia.nikkei.com/Opinion/US-foreign-investment-rules-have-lessons-for-Japan-s-rigid-approach>.

180. Mike Bird, “Japan’s Foreign-Investor Screening Risks Undoing Years of Reform; National-security proposals would frustrate a surprising proportion of overseas investors,” *Wall Street Journal*, October 10, 2019, <https://www.wsj.com/articles/japans-foreign-investor-screening-risks-undoing-years-of-reform-11570700896>.

that its regulations are comparable with those of other G7 countries.¹⁸¹ Bowing to pressure from the United States, the Japanese government in late 2018 announced it would “effectively ban” Huawei and ZTE products from government procurement over concerns about vulnerability to spying and “backdoors.”¹⁸² According to Mike Green of Georgetown and CSIS, the Japanese government was able to block Softbank’s use of technology from its long-time supplier Huawei for its 5G rollout; in May 2019, it was announced that the Japanese company Softbank instead went with Nokia and Ericsson. The United States has urged its allies to ban Chinese equipment from their networks over security concerns; New Zealand and Australia have followed through. But Japan often takes a middle path. While Japan has not made an official decision on Huawei, it does exclude equipment with security concerns. The United Kingdom has also decided to remove Huawei equipment from its mobile network, and Taiwan already bans Chinese equipment.¹⁸³

Incidentally, Mitsubishi Electric suffered a cyberattack in early 2020 on its prototype for a high-speed missile design that it had proposed for an unsuccessful bid to the Japanese defense ministry to boost the country’s defenses against China in remote islands. The company’s China-based server was also attacked in 2019, likely by a Chinese cybercrime group.¹⁸⁴

Japan has recently turned its focus to regulating the foreign ownership of properties in close proximity to military, energy, and other sensitive facilities—measures that would also implicitly target Chinese investors—given the growing unease among local officials. For example, in Hokkaido, Japan’s largest prefecture and an already popular destination for Chinese tourists and vacation homeowners, China is by far the biggest foreign landowner, including vast properties that are immediately adjacent to a Japan Self-Defense Forces (SDF) base.¹⁸⁵ Although the United States has blocked Chinese purchases of properties in close proximity to military or energy facilities under the Committee on Foreign Investment in the United States (CFIUS) and the European Commission allows EU member states to block foreign investments, Japan lacks foreign capital restrictions on land acquisitions irrespective of sensitivity and may still not even possess data on the Chinese ownership of land adjacent to SDF and nuclear facilities.¹⁸⁶

181. “*Gaikokukawase oyobi Gaikokuboekiho no Ichibu wo Kaisei suru Horitsuan’ ni tsuite* [Regarding the ‘Amendment to the Foreign Exchange and Foreign Trade Act’],” Ministry of Finance, October 25, 2019, https://www.mof.go.jp/international_policy/gaitame_kawase/press_release/kanrenshiryuu_191018.pdf.

182. “Japan to ban Huawei, ZTE from gov contracts-Yomiuri,” Reuters, December 7, 2018, <https://www.reuters.com/article/japan-china-huawei/japan-to-ban-huawei-zte-from-govt-contracts-yomiuri-idUSL4N1YB6JJ>

183. Pavel Alpeyev and Takahiko Hyuga, “Huawei Loses a Key Customer for 5G Network,” Bloomberg, May 29, 2019, <https://www.bloomberg.com/news/articles/2019-05-29/huawei-loses-a-key-customer-as-softbank-opts-for-5g-alternatives>.

184. Kyodo News, “New missile data feared leaked in cyberattack on Japan’s Mitsubishi Electric,” *The Mainichi*, May 20, 2020, <https://mainichi.jp/english/articles/20200520/p2g/00m/0na/086000c>.

185. Akihiro Fukuda, “Chugoku Shihon ni yoru Jietaikichi Shuhen no Tochi Kaishime ga Kyugeki ni Shinko... ‘Mienai Senso’ de Anzen Hoshoho no Kiki Takamaru [Chinese Capital Rushes to Buy Land near SDF bases... Security Threatened by an ‘Invisible War’],” *Business Journal*, September 4, 2017, https://biz-journal.jp/2017/09/post_20428.html.

186. Jason Jacobs, “Tiptoeing the Line Between National Security and Protectionism: A Comparative Approach to Foreign Direct Investment Screening in the United States and European Union,” *International Journal of Legal Information* 47, no. 2 (2019): 116, doi:10.1017/jli.2019.18; and “Gaishi no Tochi Shutoku Seigen o Kentou,” *Nihon Keizai Shimbun*, January 21, 2020.

While Japan seeks to strike a balance between its growing dependence on foreign investments with protections of its industrial security, it finds itself increasingly engaging in balancing behavior toward a China that continues to flout international norms.¹⁸⁷ As Japan has begun to emulate Western investment security policies that seek to contain China, Western countries have also adopted aspects of Japan's insularity in order to protect against foreign influence activities. It remains to be seen, however, how China will react to being targeted by these new barriers, if it will alter its investment strategies, and whether Japan's new regulations will begin to mitigate the negative effects of China's growing economic presence there.

Consolidation of Administrative Power by the Japanese Prime Minister

The growing strength of Japan's executive branch has crowded out the vectors of Chinese influence. Abe's second tenure as prime minister has been marked by a significant consolidation of administrative and foreign policy power in the *Kantei* (Prime Minister's Office) and away from Japan's professional and apolitical bureaucracy, such as the MOFA, where Japan's China School resided. The result has been a weakening of influence by some pro-China bureaucrats and a strengthening of Abe's ability to respond to China's rise through his various policy instruments.

If the prime minister happens to be wary of foreign influence, as Abe is of China, then a stronger executive branch can facilitate resilience against that influence. Overall, Abe has taken a careful and pragmatic approach toward China. Moreover, the Japanese public had lost faith in the competence of the relatively pro-China administration: the DPJ presided from 2009 to 2012 and is associated with the mishandling of the 2011 earthquake and ensuing nuclear meltdown in Fukushima, as well as the Senkaku Island dispute. When Hatoyama came into office in 2009, Japanese sentiment toward China started to improve temporarily, but with the Senkaku Island dispute with China breaking out in September 2010, Japanese sentiment reversed and sharply declined (according to the annual Cabinet Office opinion survey, which is conducted each October). The level of deterioration of sentiment was on par with the Tiananmen crackdown in 1989.

In December 2012, Abe's LDP won back power from the DPJ, promising a slate of economic reforms and a tougher line toward China. With the support of LDP's ally, the New Komeito Party, Abe's faction now commanded over two-thirds of the seats in Japan's House of Representatives, enough to override vetoes from the upper House of Councilors.¹⁸⁸ Citing the need to deliver on his economic promises (including the Trans-Pacific Partnership and his much-vaunted Abenomics reform plan), the Abe administration began a lengthy consolidation of power away from disparate Japanese ministries and toward a newly empowered *Kantei*. Among them, the foreign ministry was brought under particularly tight executive control; after years of tussling with the short-lived, China-friendly Hatoyama, Kan, and Noda administrations (who had tried to bring foreign policy into political alignment with the DPJ), the foreign ministry's bureaucratic structure was hollow enough

187. Kei Koga, "The rise of China and Japan's balancing strategy: critical junctures and policy shifts in the 2010s," *Journal of Contemporary China* 25, no. 101 (2016): 778, doi:10.1080/10670564.2016.1160520.

188. "Shuugiin Sen 2012 [Lower House Election 2012]," *Yomiuri Shimbun*, December 16, 2012, <https://www.yomiuri.co.jp/election/shugiin/2012/>.

for an empowered *Kantei* to revise ministry procedures and culture while expanding Japan's foreign policy profile.

Abe's choice for foreign minister, Fumio Kishida, was initially regarded as a sign that his administration would moderate Abe's hardline election rhetoric toward China.¹⁸⁹ Yet, several of Abe's early moves put such speculation to rest. These included: creating a streamlined National Security Council (NSC) in November 2013; visiting the controversial Yasukuni Shrine and announcing a five-year defense buildup in December 2013; visiting all ASEAN countries by 2014; announcing a reinterpretation of Japan's "collective self-defense" constitutional clause in July 2014; and waiting until November 2014 to meet Chinese leader Xi Jinping.¹⁹⁰ Combined with an unprecedented 49 countries visited during his first two years in office (ostensibly to promote cooperation on naval security and cybersecurity and to champion Tokyo's 2020 Olympic bid), Abe's actions demonstrated his intent to run a bold, nimble, and closely-managed foreign policy portfolio.

Executive power in Japan has grown significantly under Abe. In one of the most significant reorganizations of its foreign policy apparatus since World War II, Japan established its National Security Council (NSC) in December 2013 to facilitate coordination between the prime minister, defense minister, foreign minister, and chief cabinet secretary. This coordination, through regular weekly meetings on China, for example, allows for a more "whole-of-government" approach toward China, setting a basic platform on China for the entire government. Yet a "whole-of-society" approach is not possible given defense ministry regulations against supporting research at national universities and the public's fragile support for security issues.

The NSC's establishment was a reaction in part to North Korea's increased nuclear threat and China's watershed provocations in the Senkaku Islands in 2012. Serving as the cabinet secretariat and foreign policy "control tower," the National Security Secretariat (NSS), now with a staff of about 80, was then established in January 2014 to support the interagency NSC. In December 2013, the government adopted its first National Security Strategy, and since the Defense Program Guideline was adopted in 2004, when China was first mentioned (only twice) as a security concern, the space devoted in national security documents to challenges from Beijing has grown.¹⁹¹ Under the NSC's first head, diplomat Shotaro Yachi, the NSC pursued new defense concepts less explored by previous administrations. Yachi has strong contacts in foreign governments, including CCP Politburo member Yang Jiechi. One such concept is that of minimizing gray zones (i.e.,

189. George Nishiyama, "New Japan Premier Pushes for Fast Results," *Wall Street Journal*, December 26, 2012, <https://www.wsj.com/articles/SB10001424127887324660404578202591207365404>.

190. Alexander Martin, "Japan to Form Own National Security Council," *Wall Street Journal*, November 21, 2013, <https://www.wsj.com/articles/japan-to-form-own-national-security-council-1385024692?tesla=y>; "Japan PM Shinzo Abe visits Yasukuni WW2 shrine," BBC, December 26, 2013, <https://www.bbc.com/news/world-asia-25517205>; Ankit Panda, "Shinzo Abe Has Visited a Quarter of the World's Countries in 20 Months: Why?," *Diplomat*, September 11, 2014, <https://thediplomat.com/2014/09/shinzo-abe-has-visited-a-quarter-of-the-worlds-countries-in-20-months-why/>; Clint Richards, "Timing is Everything: Abe's Playbook for Military Normalization," *Diplomat*, July 1, 2014, <https://thediplomat.com/2014/07/timing-is-everything-abes-playbook-for-military-normalization/>; and Leika Kihara, "China's Xi, Japan's Abe hold landmark meeting," Reuters, November 9, 2014, <https://www.reuters.com/article/us-china-japan/chinas-xi-japans-abe-hold-landmark-meeting-idUSKCN0IU08420141110>.

191. "Japan's National Defense Program Guideline, FY2005-," Prime Minister of Japan and His Cabinet, December 10, 2004, https://japan.kantei.go.jp/policy/2004/1210taikou_e.html.

conflicts in between peacetime and wartime, a concept mentioned since 2010), a tacit reference to China.¹⁹²

In domains such as space, cyber, and contested maritime zones, the Abe administration has explored ways to deter coercive acts, primarily by China, that test the collective response of Japan and its partners without crossing major defensive red lines.¹⁹³ In 2019, Yachi was succeeded by national police official Shigeru Kitamura as NSS head, who is bringing a larger emphasis on intelligence and economics. The appointment of Kitamura, rather than a foreign ministry official, and other lieutenants close to Abe were seen as moves by the prime minister to further consolidate power at the expense of the foreign ministry.¹⁹⁴

Also during that year, the NSS added an economic security group to address trade, infrastructure, and technology, in addition to its six other regional and functional groups.¹⁹⁵ This added emphasis on economics means additional staffing of the NSS from the finance and economics ministries. A Kitamura ally, special adviser Takaya Imai, formerly of METI, has been a key figure raising economic issues as part of Japan's security strategy. In spring 2020, Abe added a team to address the Covid-19 crisis as well as artificial intelligence and 5G wireless (amid U.S.-China technological competition) and economic security, making it seven teams altogether in the secretariat.¹⁹⁶ The U.S. NSC and Commerce Department and Japan's cabinet secretariat are setting up an economic security dialogue later in 2020 to discuss 5G mobile phone networks and civilian technology that has military uses. To protect the country's satellites from China's growing threats in space, Japan launched a Space Operations Squadron as part of its Air Self-Defense Force in May 2020 that will cooperate with the U.S. Space Command.

Japan's intelligence community has become more robust than ever and relies less on the United States. This change is driven in part by technological innovation, previous intelligence failures, and changing geopolitics, specifically from threats from North Korea and a rising China—what chief cabinet secretary Yoshihide Suga calls the “drastically changing security environment.”¹⁹⁷ Given its intel capabilities on China, Japan over the past year has become an effective “sixth eye” by joining up with the English-speaking “Five Eyes” intelligence-sharing alliance that comprises the United States, the United Kingdom, Australia, New Zealand, and Canada. The United States has promoted an expanded “Five Eye Plus” framework with friendly countries to counter China's space and cyber threats.¹⁹⁸ Another new concept is the development of Japan's strategic communications—under Abe, the government has engaged more proactively across both traditional and social media

192. See the government's 2010 document, “Japan's Vision for Future Security and Defense Capabilities in the New Era: Toward a Peace-Creating Nation,” Kantei, https://www.kantei.go.jp/jp/singi/shin-ampobouei2010/summary_e.pdf.

193. Scott Harold, *The U.S.-Japan Alliance and Deterring Gray Zone Coercion in the Maritime, Cyber, and Space Domains* (Santa Monica, CA: RAND Corporation, 2017), https://www.rand.org/pubs/conf_proceedings/CF379.html.

194. “Abe names close aides to key security posts, raising concerns,” *Asahi Shimbun*, September 24, 2019, <http://www.asahi.com/ajw/articles/AJ201909240057.html>.

195. “Abe, NSC to oversee economic security,” *Japan News*, September 18, 2019, <https://the-japan-news.com/news/article/0006015793>.

196. “Japan sets up NSC team to meet coronavirus, tech challenges,” *Kyodo News*, April 1, 2020, <https://english.kyodonews.net/news/2020/04/89596a0de1ee-japan-sets-up-nsc-team-to-meet-coronavirus-tech-challenges.html>.

197. Richard Samuels, *Special Duty: A History of the Japanese Intelligence Community* (Cornell University Press, 2019).

198. “‘Five Eyes’ intel alliance ties up with Japan over N. Korea,” *Kyodo News*, January 26, 2020, <https://english.kyodonews.net/news/2020/01/adbec6317258-upadte1-five-eyes-intel-alliance-ties-up-with-japan-over-n-korea.html>.

platforms to assert their stances and counter foreign information warfare, an increasingly competitive domain.¹⁹⁹

Buttressing all of these reforms is the Abe government's comparative longevity. Japanese prime ministers are historically noted for their short terms, with the average term length lasting between one and two years. By August 2020, Abe's seven-year-old administration will surpass Eisaku Sato's nearly eight-year run; combining the span of his first and current terms, Abe is now the longest-serving Japanese prime minister in history. His consolidation of power has produced an unusual administrative certainty and personnel continuity, ingraining new policies and procedures into the professional bureaucracy. Regardless of when Abe's term in office ends, his reordering of executive power and strategic culture may last for a generation or more.

Japan's Global Image Game

Finally, Japan has fought its own influence game—with China in mind. China's concerted push to export and popularize Chinese culture has not gone unnoticed by Japan. Considered a soft power giant since at least the 1980s, the Japan has perceived a need since roughly 2010 to ensure the country's public image remains positive. A rising and increasingly visible China, as well as the current global popularity of Korean culture, have sparked fears in government circles of Japan being eclipsed in public consciousness by its neighbors. Japan also worries about the potential related losses in terms of its prestige, academic interest, investor attention, professional and technical exchange, and strategic closeness. Japan's strategy in the global influence game may be described as fighting fire with fire.

Japan's response to compete in the global image game has been to promote its own virtues. After years of Japan's foreign ministry promulgating concepts such as "Cool Japan" or "Gross National Cool" to engage in proactive nation branding, the Diet moved to formalize the effort by creating the Cool Japan Fund Inc. in 2013.²⁰⁰ The Cool Japan Fund is a public-private fund with a threefold investment criteria: that businesses be profitable and well-run, that they align with Japanese government policy, and that they exhibit a wider influence on foreign perception of Japan. In particular, the Cool Japan Fund divides its focus between four sectors: (1) media and content, (2) food and services, (3) fashion and lifestyle, and (4) inbound tourism.

The Cool Japan Fund website lists 34 projects receiving funds, including non-Japanese businesses such as Gojek (Indonesia) and M.M. LaFleur (United States).²⁰¹ However, reports in *Nikkei Asian Review* in late 2017 indicated that the fund was "bleeding money" by investing in unprofitable projects, due to a lack of strategy and discipline.²⁰² Junichiro Mimaki, the director of Cool Japan Policy Division at METI, said the initiative seeks to

199. "Chapter 3: Japan's Foreign Policy to Promote National and Worldwide Interests," in *Diplomatic Bluebook 2017* (Tokyo: Ministry of Foreign Affairs of Japan, 2017), <https://www.mofa.go.jp/policy/other/bluebook/2017/html/chapter3/c030401.html>.

200. "Press Conference 27 September 2005," MOFA, press conference, September 27, 2005, <https://www.mofa.go.jp/announce/press/2005/9/0927.html>.

201. "Investment Projects," Cool Japan Fund, https://www.cj-fund.co.jp/en/investment/deal_list/.

202. Yuta Saito, "Cool Japan Fund's Big Ambitions Mostly Fall Flat," *Nikkei Asian Review*, November 6, 2017, <https://asia.nikkei.com/Business/Companies/Cool-Japan-Fund-s-big-ambitions-mostly-fall-flat>.

remind the world that Japan is more than a technology powerhouse but a cultural one as well. Mimaki noted Japan's vulnerabilities: it needs China for its large market and tourism, and paradoxically, South Korea has done a better job at branding itself because it needs external markets. "At first with Cool Japan we wanted to sell 'Made in Japan' but now also 'Made by Japan' (in China and the United States). It's a part of China's growing influence," he said, adding that export markets could not afford products made in Japan, but the policy change was mostly a branding decision. He admitted the effort, which began at the Cabinet Office, had limitations due to annual budgets, short-term thinking (lack of long-term strategy), and the "Galapagos syndrome" at Japanese firms.

Beyond direct investment, Japan has sought other ways to brand itself abroad through public diplomacy. The "Japan House" concept from the foreign ministry, meant to introduce foreign audiences to Japanese art, design, gastronomy, innovation, and technology, has been introduced in London, Los Angeles, and São Paulo.²⁰³ This initiative may be seen as a Japanese counterpoint to China's CIs. A related initiative is the Foreign Ministry's Japan Brand Program, which promotes the unique qualities of Japanese society among local audiences. In 2017, the Japan External Trade Organization (JETRO) launched the Japanese food promotion program JFOODO. At lower levels of government and society, Japanese cities, prefectures, businesses, and organizations are adept at self-branding; thousands have introduced their own unique *yuru-chara*, or mascots, to promote themselves on a continuous basis. Many have their own dedicated social media following and may franchise their image out to merchandising.²⁰⁴ According to Japan expert Warren Stanislaus, Japan's public diplomacy push is characterized by an effort to positively shape global opinion by expanding its networks with the media, think tanks, and experts, and by an effort to make Japan a global cultural leader, through such campaigns as "Cool Japan." Stanislaus sees evidence of success in Japan's booming tourism sector and popularity of its Japan House locations. These successes are in part due to an "All Japan" coordination across ministries or "whole of government."²⁰⁵

Another public relations vector Japan seeks to exploit is the country's reputation as a competent host of global events. In July 2020, Tokyo was scheduled to host the Summer Olympics (postponed to 2021) and become the first Asian city to host the Olympics twice. With 206 participating nations and 11,091 expected athletes participating, the games would be a logistical feat to pull off even before factoring in the massive spectator influx.²⁰⁶ As with all iterations of the Olympics in previous years, media attention will at least partially focus on Japan's administration of the games and readiness for foreign audiences. At the same time, Japan will almost certainly see greater pop culture attention, reflected in media appearances and mentions. Should Tokyo Olympics 2020 prove successful in 2021, it could popularize another major global gathering in Japan—the World Expo 2025 in Osaka. Set to last for six months, the Expo is anticipated to showcase achievements from over 190 countries.

203. "The Global Japan House Concept," Japan House, September 12, 2017, <https://www.japanhouse.jp/losangeles/aboutus/index.html>.

204. Philip Brasor, "The Obsession Over Those Dumbed Down Cute Mascots," *Japan Times*, August 3, 2008, <https://www.japantimes.co.jp/news/2008/08/03/national/media-national/the-obsession-over-those-dumbed-down-cute-mascots/>.

205. "Japan's Cultural Diplomacy, with Warren Stanislaus," Carnegie Council, August 28, 2018, <https://www.carnegie-council.org/studio/multimedia/20180828-japan-cultural-diplomacy-warren-stanislaus>.

206. Adam C. Dick, "The Tokyo 2020 Olympic Champions," *Towards Data Science*, July 28, 2019, <https://towardsdatascience.com/the-tokyo-2020-olympic-champions-ad6bcc7fac72>.

Beyond the occasional sporting event or showcase, Japan seeks foreign visitors interested in longer stays and a deeper personal and professional connection. The global *jinzai* (global competency) concept, which has taken root in Japanese higher education, emphasizes the growth of multiculturalism and international awareness by attracting foreign professionals and teachers to Japan. While Japan's history is replete with examples of the country adopting foreign best practices, global *jinzai* aims to operationalize that borrowing instinct in directions considered strategic by the government.

Ultimately, Japan's latest public diplomacy push is motivated by strategic concerns rather than solely economic ones, lending a different dynamic than previous periods of self-promotion. Japan will seek to popularize elements of its regional strategy in unprecedented ways. One major element, the Free and Open Indo Pacific (FOIP) vision, Abe's brainchild, will require public diplomacy to revitalize international alliances in an effort to constrain Chinese strategic ambition. To that end, the Japan Bank for International Cooperation is participating with the U.S. International Development Finance Corporation (DFC) and the Australian Department of Foreign Affairs on the "Blue Dot Network," a major sustainable infrastructure development campaign across the Indo-Pacific. The initiative builds on Japan's G20 leadership to build consensus around "Principles for Quality Infrastructure Investment," according to the U.S. State Department.

The campaign, which will spread financial assistance throughout the region, is widely believed to be the Japan-U.S.-Australia "answer" to China's BRI and AIIB initiatives.²⁰⁷ Also in need of careful public relations attention is Japan's Self-Defense Forces, whose status as a strictly non-warfighting force will shift in coming years since the Abe government's 2014 reinterpretation of the country's constitution to allow Japan to come to the defense of allies who are attacked. Since then, in fall 2015 the Japanese parliament passed a set of 11 bills under the "Legislation for Peace and Security" that went into effect on March 29, 2016.²⁰⁸ The legislation marked a shift from a strictly defensive posture for Japan's self-defense forces and has enabled the approval in early 2019 of the deployment of two officers to Egypt, the first SDF overseas mission not under UN command.²⁰⁹ Japan's military missions and mandates have gradually been enhanced since the end of the Cold War.²¹⁰ In November, a documentary on the Self-Defense Forces titled "Defending Japan" premiered at the aforementioned Japan House in Los Angeles.²¹¹ It presented

207. Zach Montague, "Can the 'Blue Dot Network' Really Compete With China's Belt and Road?," *World Politics Review*, December 4, 2019, <https://www.worldpoliticsreview.com/articles/28385/can-the-blue-dot-network-really-compete-with-china-s-belt-and-road>.

208. According to a March 29, 2016 editorial titled "Security legislation takes effect" in *the Japan Times*, "The legislation consists of two laws. The 'legislation for peace and security' amends 10 existing laws, including the SDF Law, the 1999 law on Japan's logistical support for the U.S. forces in contingencies in areas surrounding Japan, as well as one defining Japan's response to armed attacks. The other is the 'international peace support law'—blanket legislation that paves the way for the dispatch of SDF troops abroad to provide logistical support of other forces engaged in missions to 'eliminate threats to peace and security of the international community.'"

209. "Japan to make 1st SDF dispatch to non-U.N. peacekeeping force in April," *Kyodo News*, March 19, 2019, <https://english.kyodonews.net/news/2019/03/e2234e8996a8-japan-to-send-sdf-members-for-peace-operations-in-egypt-in-april.html>

210. Atsuhiko Fujishige, "New Japan Self-Defense Force Missions under the "Proactive Contribution to Peace" Policy: Significance of the 2015 Legislation for Peace and Security," *CSIS Japan Chair Platform*, July 21, 2016, <https://www.csis.org/analysis/new-japan-self-defense-force-missions-under-%E2%80%9Cproactive-contribution-peace%E2%80%9D-policy>

211. "A Celebration of Contemporary Japanese Cinema," *Rafu Shimpo*, October 23, 2019, <https://www.rafu.com>

Japan's regional security priorities in unusually direct terms; such efforts and more will be required to counteract ingrained fears of Japan's armed forces since World War II.

As a measure of the effectiveness of these efforts, Japan enjoys a positive image not only in bilateral China-Japan polls but also in regional and global ones. Chinese opinion of Japan has mainly improved since 2013, according to GENRON NPO.²¹² In the broader region, for example, polls indicate that while Chinese influence is growing, it is perceived as an untrustworthy, revisionist power that might not do "the right thing," according to a 2019 ISEAS study of attitudes among 1,008 elites in Southeast Asia.²¹³ In the same study, Japan is seen as the most trusted and benevolent country among great powers.

Globally, the situation is much the same. A 2019 U.S. News study, in partnership with the BAV Group and the Wharton School, ranked Japan as the second best overall country and sixth best for cultural influence in the world, while China placed 16th.²¹⁴ In terms of political power, the same U.S. News study ranked China at third and Japan at seventh. International publications call Tokyo the safest, most livable, and most reputable city in the world.²¹⁵ Similarly, Conde Nast Traveler in 2019 includes three Japanese cities (Tokyo, Kyoto, and Osaka) among its list of best big cities, while no Chinese city made the list.²¹⁶

Japan's Covid-19 Response: Messaging and Decoupling

As part of its response to the Covid-19 crisis, Japan continued waging its global image game—as did China. On April 7, 2020, the day the Japanese government declared a state of emergency related to Covid-19, the government approved its largest-ever stimulus package of 108 trillion yen, which is about 20 percent of Japan's annual GDP.²¹⁷ The emergency stimulus included funds to improve Japan's information operations. The Ministry of Foreign Affairs (MOFA) was given 2.4 billion yen to improve the government's information strategy and eliminate any anti-Japanese narrative on the pandemic.²¹⁸ Specifically, MOFA is using AI to analyze comments on social media abroad and correct

com/2019/10/a-celebration-of-contemporary-japanese-cinema/.

212. "The 15th Joint Public Opinion Poll: Japan-China Public Opinion Survey 2019," Genron NPO.

213. Tang Siew Mun, *The State of Southeast Asia: 2019 Survey Report* (Singapore: ISEAS, January 2019), https://www.iseas.edu.sg/images/pdf/TheStateofSEASurveyReport_2019.pdf.

214. "Overall Best Countries Ranking 2020 Rankings," US News & World Report, <https://www.usnews.com/news/best-countries/overall-rankings>.

215. Rosamond Hutt, "These are the world's safest cities," World Economic Forum, September 17, 2019, <https://www.weforum.org/agenda/2019/09/safest-cities-tokyo-singapore-osaka-security-urbanization-economist-intelligence-unit/>; Casey Baseel, "Tokyo ranked as most livable city in the world in Monocle annual survey," *Japan Today*, July 10, 2017, <https://japantoday.com/category/features/lifestyle/tokyo-ranked-as-most-livable-city-in-the-world-in-monocle-annual-survey>; and Annemarie McCarthy, "Why Tokyo has the best reputation of any city in the world," Lonely Planet, August 28, 2018, <https://www.lonelyplanet.com/articles/city-reputation-ranking-tokyo>.

216. "Conde Nast Traveler lists Tokyo, Kyoto, Osaka among world's top 10 best large cities," *Japan Times*, October 14, 2019, <https://www.japantimes.co.jp/news/2019/10/14/national/u-s-travel-magazine-lists-tokyo-kyoto-osaka-among-worlds-top-10-best-large-cities/#.XiZVmxKjMJ>.

217. Kiyoshi Takenaka and Takaya Yamaguchi, "Japan declares state of emergency, nearly \$1 trillion stimulus for coronavirus," Reuters, April 6, 2020, <https://www.reuters.com/article/us-health-coronavirus-japan/japan-declares-coronavirus-emergency-approves-near-1-trillion-stimulus-idUSKBN21P067>.

218. "Kinkyuu Keizai Taisaku (Reiwa 2 Nendo Hosei Yosan Gaimushou Shokanbun) [Emergency Economic Measures (FY2020 Supplementary Budget for Ministry of Foreign Affairs)]," MOFA, accessed April 11, 2020, <https://www.mofa.go.jp/mofaj/files/100042203.pdf>.

their “wrong understandings.”²¹⁹ MOFA has been emphasizing the importance of strategic communications to promote the “correct” understanding of Japan.²²⁰ In addition, the Ministry of Health, Labor and Welfare was also given 3.5 billion yen for the proactive public relations targeting of both domestic and overseas audience.²²¹

Prime Minister Abe had been criticized in the press and on social media for enjoying gourmet dinners with his friends almost every day in February and not spending enough time fighting the crisis. On February 25, Abe had dinner with three startup founders: two AI companies, OPTiM and Future, and a Japanese company called Lancers.²²² Lancers connects freelancers with job opportunities. In September 2017, the Lancers website had a job posting looking for freelance writers who “support Abe Administration,” “cannot stand liberal media,” and “like Sankei Shimbun.” The offer was to pay 30 yen per comment if they posted on a community website.²²³ On April 7, 2020, right after Abe had a press conference to announce the state of emergency, numerous identical comments emerged on Twitter declaring, “Although I am scared of coronavirus, I became energized after hearing the prime minister’s voice.”²²⁴ Due to rising skepticism suspecting Lancers’ involvement in manipulating public opinion, Lancers ended up releasing a press release on April 8 saying the company was not responsible for such tweets.²²⁵

Perhaps more importantly for China, Japan’s stimulus package also might represent the tip of the iceberg in a turning tide against China. The spending included \$2.2 billion to “develop a resilient economic structure,” including 220 billion yen (\$2 billion) to promote “domestic investment” (in Japan) for Japanese supply chains and 23.5 billion yen to support “diversification” supply chains.²²⁶ Although the Finance Ministry does not explicitly use the word “China,” this allocation is understood to be aimed at helping Japanese companies relocate their supply chains outside of China to either Japan or elsewhere, such as Southeast Asia.²²⁷ The prospect of foreign companies leaving China

219. “Kaigai SNS Toukou, AI de Jouhou Bunseki Seifu Corona Taiou Meguri [Analyzing overseas SNS reactions to Japanese government policies by using AI],” *Mainichi Shimbun*, April 7, 2020, <https://mainichi.jp/articles/20200407/ddm/005/010/054000c>

220. “Reiwa 2 Nendo Gaisan Youkyuu ni tsuite [Regarding estimated budget for FY2020],” MOFA, accessed April 11, 2020, <https://www.mofa.go.jp/mofaj/files/000511959.pdf>.

221. “Reiwa 2 Nendo Kousei Roudou Shou Hosei Yosan (An) no Gaiyou [Overview of Ministry of Health, Labor and Welfare’s FY2020 Supplementary Budget (estimate)],” Ministry of Health, Labor and Welfare, accessed April 11, 2020, <https://www.mhlw.go.jp/content/10900000/000619775.pdf>.

222. *Nihon Keizai Shimbun*, “25 Nichi no Abe Shushou no Dousei [Prime Minister Abe’s schedule for 25th],” *Nikkei Asian Review*, February 25, 2020, <https://www.nikkei.com/article/DGXMZO56029760V20C20A2PP8000/>.

223. “Cloud Sourcing de Hoshu-Kei Komento no Kakikomi Hacchuu 1 ken 30 yen ‘Terebi ya Shimbun no Henkou Houdou ga Yuruse nai kata’ ni Irai [Ordering conservative comments by cloud sourcing, 30 yen per comment, asking people who ‘cannot stand biased media coverage by TV and newspapers’],” *Career Connection News*, September 26, 2017, <https://news.careerconnection.jp/?p=41044>.

224. “Yoron Yuudou? Sutema Kanyo? Ichibu SNS de Kakusan shita dem ani Lancers ga hanron [Controlling public opinion? Undercover marketing? Lancers objects to false rumor in SNS],” *IT Media Business*, April 9, 2020, <https://www.itmedia.co.jp/business/articles/2004/09/news092.html>.

225. “Ichibu Social Media deno Hasshin oyobi Jijitsu Mukon no Kisai ni Taisuru Kongo no Houteki Taiou nado ni tsuite [Regarding our legal response to reports in social media that are not based on facts],” *Lancers*, April 8, 2020, <https://www.lancers.co.jp/news/info/19323/>.

226. “Overview of the Supplementary Budget for FY2020,” Ministry of Finance, <https://www.mof.go.jp/english/budget/budget/fy2020/02.pdf>

227. *Bloomberg News*, “Japan to pay firms to leave China, relocate production elsewhere as part of coronavirus stimulus,” *South China Morning Post*, April 9, 2020, <https://www.scmp.com/news/asia/east-asia/article/3079126/japan-pay->

during an economic slowdown has created intense anxiety in Beijing. China's state media has expressed alarm about Japan's potential drive toward "de-Sinicization," for example, by enticing foreign companies such as Intel and Taiwan Semiconductor Manufacturing Company (TSMC) to build facilities in Japan—known as "semiconductor nationalism."²²⁸

Japanese companies have long aimed to foster resilience in their supply chains by a "China Plus One" strategy that emphasizes adding redundancy to any production in China. But this government support goes further by actively supporting a "shift away from China" approach. The idea of moving domestic companies out of China has gained adherents in other capitals in the West, including in Washington, D.C., with White House officials, as it would support Trump's "America First" motto. Abe's top adviser, Yoshihide Suga, wants Japan to become less reliant on China as a result of the pandemic crisis.²²⁹ If this shift away continues in the West, a "new Cold War" with China becomes increasingly likely.

firms-leave-china-relocate-production-elsewhere-part.

228. Da Zhigang, "Amid COVID-19, negative factors dictate Japan's attitude toward China," *Global Times*, May 16, 2020, <https://www.globaltimes.cn/content/1188524.shtml>.

229. Shunsuke Shigeta, "Abe's right-hand man wants a Japan less reliant on China," *Nikkei Asian Review*, April 24, 2020, <https://asia.nikkei.com/Editor-s-Picks/Interview/Abe-s-right-hand-man-wants-a-Japan-less-reliant-on-China>.

4 | Conclusion

Japan as a Negative Case of CCP Influence

Japan represents a negative case in terms of its susceptibility to CCP influence activities. With the world now witnessing a global blowback against the party's influence campaigns amid reactions to China's poor handling of the Covid-19 outbreak, Japan's resistance to foreign influence puts it ahead of the curve.²³⁰ "The world is always 20 years behind Japan," Professor Hosoya of Keio told me. Japan is an advanced case in dealing with China's power given its difficult 2000-year history with its neighbor.

As this report details, China has deployed in Japan both its benign influence activities—such as cultural diplomacy, bilateral exchanges, state media spin—and its sharper, more malign activities—such as coercion, information campaigns, corruption, and covert tactics. Yet for this effort, China has little to show. It has achieved none of its policy objectives with Japan: Japan has not joined the BRI; Okinawa has not declared independence from Japan; the CCP has few allies in the Japanese government; Japan has not weakened its alliance with the United States; and China is as unpopular as a country can be in the eyes of the Japanese public.

To be sure, Japan did take a mild initial approach toward China amid the Covid-19 crisis, but it also earmarked funds to help its companies exit China. The tactical *détente* between the two countries is fragile and may whither from pressure in Japan to "decouple" from China. While the CCP has adopted more aggressive disinformation tactics (more like Russia's tactics) toward the United States since the pandemic crisis,²³¹ there is no evidence it is directing these toward Japan. Moreover, the CCP may have surmised that using sharp influence tactics in Japan is not worth the effort, risk, or investment.

This report aimed to offer an explanation for China's failure to influence Japan by looking at traits that are unique to Japan as well as policies that could be shared with other democracies. Traits that are unique to Japan include those that make it a relatively

230. Steven Erlanger, "Global Backlash Against China over Coronavirus," *New York Times*, May 3, 2020, <https://www.nytimes.com/2020/05/03/world/europe/backlash-china-coronavirus.html>.

231. Bethany Allen-Ebrahimian, "China takes a page from Russia's disinformation playbook," *Axios*, March 25, 2020, <https://www.axios.com/coronavirus-china-russia-disinformation-playbook-c49b6f3b-2a9a-47c1-9065-240121c9ceb2.html>.

closed democracy. Yet these factors narrow the space for CCP influence. Japan-specific characteristics that help it resist foreign—and in particular the CCP—influence include:

- Japan’s long history of armed conflict with China and therefore an ingrained suspicion of its neighbor;
- a history of relative economic and cultural isolation from the world;
- a politically apathetic, detached public and a homogenous, de facto single-party political environment;
- and a tightly controlled media environment, restricted access to information, and a government that rewards media loyalty with access to officials.

Efforts in Japan that could be considered in other democracies include:

- the consolidation of power in the executive branch of government (assuming the political leadership is predisposed to vigilance against foreign influence as in Japan), including a significantly empowered national security apparatus inside the administration;
- the launching of a country’s own global public relations campaigns (“fighting fire with fire”) deployed across the government including the foreign and economics ministries;
- and the enactment of regulations that minimize foreign influence, such as limiting foreign ownership of real estate (under consideration) and sensitive industries and stringent campaign finance laws and a strictly regulated political campaign environment that prevent the corrupting influence of foreign contributions.

While Japan has become more economically intertwined with China in the recent past, this report anticipates Japan will maintain and may even strengthen its resistance to CCP influence activities. That direction is indicated by the Japanese government’s decision in April 2020 to actively support Japanese companies to relocate operations outside of China, thus advancing a potential “decoupling” of the two countries. Also, due to the pandemic, Japan was forced to postpone the Tokyo Olympics and Xi’s state visit to Japan that was planned for April 2020. Moreover, anxiety about supply chain vulnerability amid the Covid-19 crisis is edging China a step closer to a new Cold War with Japan’s closest ally, the United States. These factors portend increased vigilance toward China’s influence. To maintain constructive relations with both superpowers, Japan must walk a fine line.

About the Author

Devin Stewart is a senior fellow at Carnegie Council for Ethics in International Affairs where he founded and directed the Asia program. He has taught courses on international affairs at Columbia University and New York University. He served as senior fellow at the Eurasia Group Foundation, a Truman Security Fellow, and a fellow and assistant director of studies at CSIS from 2004 to 2006 and affiliated CSIS as an adjunct fellow until 2010.

COVER PHOTO GREG BAKER/AFP/GETTY IMAGES

CSIS | CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

1616 Rhode Island Avenue NW
Washington, DC 20036
202 887 0200 | www.csis.org